



Daily Report

China

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Daily Report

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12 January 1990

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General

U.S. Actions Regarding Panama Viewed

HK1101145190 Beijing RENMIN RIBAO
in Chinese 10 Jan 90 p 4

[Article by staff reporter Guo Weicheng (6753 0251 2052): "What Does the United States Aim at by Sending its Troops to Panama?"]

[Text] The United States made an armed incursion into Panama and escorted Noreiga, former head of state and commander of the national defense army of Panama, to the United States to be tried. The Bush administration made a great fanfare, calling it a victory for "democracy" and "justice," and declared that the U.S. troops "attained all objective" in invading Panama. The Panamanian people will judge the rights and wrongs of Noreiga. However, the practices of invading a sovereign state and arresting leader of a country to stand trial in the United States are out-and-out power politics rather than "democracy" and "justice." Hence, most of the Latin American nations have condemned the so-called "just act" of the United States. "Upset by this," U.S. President Bush has decided to send Vice President Quayle to Latin America to explain the intention of U.S. troops dispatched to Panama.

No matter how the United States explains this, there is one thing which is quite clear: The United States invaded Panama to maintain its strategic interests in the country rather than to show concern for Panama's democratic process or the behavior of its leader. As Panama links South America with Central America, the most important military bases of the United States in the Western Hemisphere are established there. To seize the right to develop and use the Panama Canal permanently, the United States plotted the independence of Panama from Colombia during the early part of this century. Thanks to the development of various means of modern transportation, the canal is no longer as important as it was 75 years ago. In 1989, the ships which passed through the canal decreased by 15 percent compared with those in 1983. Generally speaking, the United States has made use of the canal to export its grain to the Asian-Pacific region. The canal is not very important to the United States in terms of economic interests. Of 340 million income from toll charges, \$80 million is paid to the Panamanian Government and some \$100 million is used for maintenance. If the wages for managerial and technical personnel and other miscellaneous expenses are deducted, very little is left. Nevertheless, the Panama Canal connects the Atlantic Ocean with the Pacific Ocean, shortening the navigation distance between the east and west coast of the United States by 12,000 kilometers and enormously increasing the mobility of the U.S. Navy. This cannot be replaced by any other means. Hence, the canal is of strategic military value to the United States, which cannot be measured by the economic income of millions of dollars. Moreover, this constitutes only part of the strategic interests of the

United States in Panama. Over the years, the United States has painstakingly built up 14 military bases and set up its Southern Command to make overall arrangements for its military activities in the Western Hemisphere. Under the pressure of events in 1977, the Carter administration had to sign the new U.S.-Panama Canal Treaty with General Torrijos, who was in office at that time. The treaty stipulated that sovereignty of the canal and the canal zone will completely be restored to Panama by 31 December 1999 and that the U.S. military will dismantle all its military bases. As this day is approaching, the United States has increasingly been aware of the importance of its strategic military interests in Panama and has deliberately planned to postpone this process or adopt another flexible means to continue to maintain its strategic military interests in Panama after returning the canal to Panama. Actuated by this motive, the United States has shown "special concern" for the internal affairs of Panama. According to the U.S., Noreiga had engaged in drug trafficking for more than 10 years. Meanwhile, Noreiga also took part in the secret activities of the CIA during this period. However, the United States never mentioned this. It is the change of course of Panama's diplomacy, its conflict with the U.S. policy toward Central America and the Caribbean, and the stand of nationalism on the canal issue that have evoked U.S. discontent.

From what I saw and heard in Panama, I profoundly realized that the spirit of nationalism of the late General Torrijos who signed the new U.S.-Panama Canal Treaty has taken root in the hearts of the people. It is the desire of the nation to regain the sovereignty of the canal. A senior official of Panama's Foreign Ministry told this reporter: "The canal is like a dagger stuck in the hearts of the Panamanian people. No one else can experience more than the Panamanian people the suffering from a colony." From a children's painting exhibition, I noticed that the topics were all focused on the motherland and canal. A picture drawn by a fourth grade student was the green land of Panama surrounded by the blue sea and a flag of Panama erected on the canal. With the date 31 December 1999, the picture was entitled "We Eventually Won." In Panama, almost all the vehicle tablets carry the words "Panama 2000" and "complete sovereignty." The motto of the late General Torrijos "I would rather die standing than live kneeling" is inscribed in many localities.

General Torrijos was buried in the canal zone. Another of his mottoes was inscribed on the tablet: "I prefer going to the canal zone rather than down in history." In the face of such a nation, power politics and arms of the United States will succeed only temporarily because the spirit of a nation cannot be conquered.

State To Hold 112 Science Conferences in 1990

OW1201095490 Beijing XINHUA in English
0856 GMT 12 Jan 90

[Text] Beijing, January 12 (XINHUA)—China is going to hold 112 international scientific and technological

conferences this year, including academic symposia, technological exhibitions, technological seminars and trade fairs.

According to an official from the International Conference Center for Science and Technology under the China Association for Science and Technology (CAST), most of these meetings and exhibitions will be held in Beijing, Shanghai, Tianjin, Nanjing, Guangzhou, Shenyang, and other big cities which have conference facilities of international quality.

Some of the meetings to be held in the first quarter of this year include an international agrotechnical exhibition, an international symposium on science funds and strategies for disciplinary development, an Asia-Pacific conference on meat processing and products, the Shanghai international symposium on the treatment of cardiovascular diseases, the 29th annual meeting of the law consultation committee of Asia and Africa, the 13th international cryogenic engineering conference, the fourth Asia-Pacific congress on nephrology, and the third international esperanto conference on science and technology.

In the last decade more than 380 international symposia and conferences have been organized by CAST, the largest non-governmental scientific organization in China. Some 70,000 Chinese and foreign scientists took part in the meetings.

"In the future, we will sponsor more international conferences which are closely related with international scientific organizations. We will respect the international practice of allowing a free flow of scientific exchanges," the CAST official said.

Organizers Raise \$90 Million for Asian Games

OW1101141690 Beijing XINHUA in English
0858 GMT 10 Jan 90

[Text] Beijing, January 10 (XINHUA)—The organizers have raised 450 million yuan (about 90 million U.S. dollars) as fund for the 11th Asian Games slated for September 22 to October 7 in the Chinese capital, it was announced here today.

Wang Zhiliang, head of the fund-raising department of the organizing committee of the Beijing Asiad, said more than 200 million yuan (about 42 million dollars) out of the money has been used in building or facelifiting sports facilities for the Asian Games.

Joint Venture Container Firm Opens in Shanghai

OW1001004890 Beijing XINHUA in English
0911 GMT 9 Jan 90

[Text] Shanghai, January 9 (XINHUA)—The Shanghai International Container Co., Ltd., a Sino-foreign joint venture, opened for business today in Shanghai, the biggest industrial city in east China.

With total investment of 9 million U.S. dollars, this container producing company was jointly founded by Pacific International Lines Co., Ltd. of Singapore, the Ackon International Corporation of the United States, Shanghai Jin Jiang Shipping Corp. Ltd., the Shanghai Jiading County Container Factory, and the Shanghai branch of the China National Native Products and Animal By-Products Import and Export Corp. An agreement to set up the company was signed by the five last March.

The company plans to produce 16,000 20-foot equivalent units a year in 1990 and 1991 with annual production value of about 30 million U.S. dollars. Ninety percent of the company's products will be for export.

Exhibition Marks Woolmark Symbol Anniversary

OW1101135390 Beijing XINHUA in English
0813 GMT 10 Jan 90

[Text] Beijing, January 10 (XINHUA)—An exhibition featuring clothing and other articles bearing the woolmark symbol opened in Beijing and Shanghai today.

The 10-day exhibition, jointly held by the International Wool Secretariat (IWS) and China's Ministry of the Textile Industry, is to commemorate the 25th anniversary of the woolmark symbol.

The exhibition consists of more than 250 men's and women's woollen garments in addition to 30 varieties of woollen materials. All the exhibits were created by West European, American and Japanese fashion designers. It is the first time that such an extensive array of world fashions has been available to China's textile industry.

Experts here said the exhibition provides an opportunity for China's textile industry and its woolmark licensees to update their knowledge of the trends and styles of world fashions.

An official of the Ministry of the Textile Industry said the IWS started introducing the woolmark symbol to China in 1985. China now has more than 300 woolmark licensees whose product quality has been accepted as up to the world standard.

Soviet Union

Further on Rogachev Visit to Beijing

Meets With Qian Qichen

OW1201120690 Beijing XINHUA in English
1148 GMT 12 Jan 90

[Text] Beijing, January 12 (XINHUA)—China has consistently stood for a complete, fair and reasonable settlement of the Kampuchea issue, the Chinese foreign minister, Qian Qichen, said today.

He was speaking to the Soviet vice-minister of Foreign Affairs, E.A. Rogachev, who is here for consultations with China on the Kampuchea issue.

Qian said Prince Sihanouk's opinion should be fully respected, and national reconciliation should be realized and a four-party coalition effected in the country under the prince's auspices.

Speaking of the efforts of some countries to find a solution to the Kampuchea issue, he said: "We express our appreciation. We favor all propositions conducive to a fair and reasonable solution of this question."

China, he said, has consistently advocated that the United Nations play its role in solving the Kampuchea issue.

Sources say that during the meeting the two sides exchanged opinions on developing relations between China and the Soviet Union. Both agreed to strictly follow the agreements reached at the Sino-Soviet summit in May last year and to observe the spirit of the Sino-Soviet joint communique so as to further develop bilateral relations.

The Chinese vice-minister of foreign affairs, Tian Zengpei, and the Soviet Ambassador to China, O.A. Troyanovskiy, were present during the meeting.

Gives News Briefing

*HK1201092290 Hong Kong AFP in English
0906 GMT 12 Jan 90*

[Text] Beijing, Jan 12 (AFP)—Soviet deputy foreign minister Igor Rogachev ended a four-day visit to China on Friday, playing down the importance of recent strains in Sino-Soviet relations.

Mr. Rogachev, speaking to reporters before flying to Moscow, said China and the Soviet Union fully agreed the United Nations "should play a very major role" in the Cambodian peace process.

The Kremlin envoy arrived Tuesday, chiefly for talks with his Chinese counterparts—including Foreign Minister Qian Qichen on Friday—about Cambodia. But his talks also covered strains in Sino-Soviet relations that have emerged since May, when President Mikhail Gorbachev made an historic summit visit to Beijing at the height of democracy protests in Tiananmen Square.

"After these consultations, I'm sure that everything will go smoothly in our relations," Mr. Rogachev said.

He added that Premier Li Peng would make a visit to the Soviet Union "very soon, very soon," but did not elaborate.

Mr. Rogachev gave no details about his talks on bilateral relations, besides saying "we had no time" to discuss Eastern Europe.

The collapse of communist regimes in Eastern Europe, prompted by Mr. Gorbachev's relaxed foreign policy, has upset Sino-Soviet relations at a time when China has been reasserting orthodox Marxist principles.

This week an official news magazine, *OUTLOOK WEEKLY*, attacked Moscow for abandoning Third World interests—including those of China—and siding with the United States in the U.N. General Assembly.

On Cambodia, Mr. Rogachev said "everybody agrees" that the United Nations must play a leading role in the peace process.

"I don't know who can now deny the role of the United Nations," he said, adding he would attend a meeting Monday or Tuesday in Paris of the five permanent members of the U.N. Security Council on Cambodia. He would not predict the outcome of the talks, which he said he planned to attend.

"But now we have a common basis, that is an understanding on the role of the United Nations," he said. "I think this is important in itself."

Under a proposal put forth by Australia, the United Nations would administer Cambodia pending free elections in a move to end more than 11 years of conflict in the Southeast Asian nation. The plan also calls for Cambodia's seat in the United Nations, now held by the tripartite Cambodian resistance movement led by Prince Norodom Sihanouk, to be vacated.

China—which has said it will send a senior representative to the Paris talks—gives military and political backing to the strongest Cambodian resistance group, the Khmer Rouge, against the Vietnamese-backed regime in Phnom Penh. But it has given only lukewarm support to the Australian plan, saying it would endorse it only if all Cambodian factions do so as well.

The five permanent members of the U.N. Security Council are Britain, China, France, the Soviet Union and the United States.

Song Jian Meets State Science Committee Guests

*OW1201112790 Beijing XINHUA in English
1050 GMT 12 Jan 90*

[Text] Beijing, January 12 (XINHUA)—Song Jian, state councillor and minister in charge of the State Science and Technology Commission, met V.V. Ezhkov, vice-chairman of the State Committee for Science and Technology of the Soviet Union, and his party here today.

Song Jian and the Soviet guests exchanged views on expanding and increasing scientific and technological cooperation between China and the Soviet Union.

Ezhkov and his party arrived in Beijing January 11 to attend the fourth session of the Standing Subcommission on the Scientific and Technological Cooperation between China and the Soviet Union.

Prior to the meeting, Jiang Minkuan, vice-minister of the State Science and Technology Commission, and Ezhkov signed, on behalf of their respective governments, a protocol of the fourth session of the Standing Subcommission on

Scientific and Technological Cooperation under the Economic, Trade and Scientific and Technological Commission between China and the Soviet Union.

Song Jian and V.M. Kudinov, minister-counsellor of the Soviet Embassy in Beijing, were present at the ceremony.

Southeast Asia & Pacific

Deputy Foreign Minister Bids SRV Envoy Farewell

BK1101152090 Hanoi VNA in English 1457 GMT
11 Jan 90

[Text] Hanoi VNA January 11—Chinese Deputy Minister for Foreign Affairs Zhou Nan and his wife gave a reception in Beijing on January 9 to bid farewell to Vietnamese Ambassador Nguyen Minh Phuong and his wife who had completed his term of office in China.

Speaking on this occasion, Zhou Nan said that China and Vietnam have time-honoured relations of cooperation and friendship, that both hope for the early restoration of normal relations between the two countries. China, he said, pledges to renew its neighbourly and friendly relations with Vietnam and to build them on the basis of the Five Principles of Peaceful Coexistence. This is consistent with the long-term and fundamental common interests of the two countries, he added.

For his part, Nguyen Minh Phuong also expressed his wish for the early normalisation of the relations between Vietnam and China. He said he believed that with the efforts of both sides this would be certainly materialized.

1990 Bilateral Trade Target Set With Thailand

OW1101075490 Beijing XINHUA in English
0659 GMT 11 Jan 90

[Text] Bangkok, January 11 (XINHUA)—Thailand and China have set their bilateral trade target at 800-1,000 million U.S. dollars this year.

The agreement was signed at the end of a meeting of the Sino-Thai Joint Committee on Economic Cooperation in Pattaya early this week.

Sino-Thai trade has kept increasing since the establishment of diplomatic relations between the two countries in 1975, and more ways are being explored to expand economic and trade ties.

Last year, the bilateral trade volume came to 1,100 million U.S. dollars. China has been importing rice, corn, tobacco, rubber and sugar from Thailand and exporting agricultural machinery, diesel fuel, and some manufactured goods to Thailand.

In recent years, Sino-Thai economic cooperation has seen rapid development. Investors on both sides are gearing up for further investment in each other's country.

Writers' Delegation Ends Burma Visit

OW1101150290 Beijing XINHUA in English
0928 GMT 10 Jan 90

[Text] Yangon [Rangoon], January 10 (XINHUA)—A Chinese writers delegation led by Xie Pu, vice-chairman of the Chinese Writers Association Hunan branch, left here for home this afternoon.

In accordance with a plan of cultural exchanges for 1988-1989, the delegation paid a two-week friendly visit to the country.

During its stay in the nation, the delegation visited Pagan, Mandalay, Maymyo, and Taunggyi and toured the Academy of Developments of National Groups in Sagaing Division and the Central Institute of Public Services in Yangon Division.

The Chinese writers paid courtesy calls on Myanmar (Burmese) Minister for Information and Culture Major General Phone Myint; chairman of the Shan State Law and Order Restoration Council and commander of Eastern Command Brigadier General Maung Aye; and chairman of the Mandalay Division Law and Order Restoration Council Brigadier General Tun Kyi.

The Chinese were seen off at Yangon Airport by U Myo Thant, general secretary of the Myanmar Literary and Journalist Organization, and cultural attache of the Chinese Embassy Pan Houxing.

Latin America & Caribbean

Chilean President-Elect Meets State Ambassador

OW0601180190 Beijing XINHUA in English
1650 GMT 6 Jan 90

[Text] Santiago, January 6 (XINHUA)—The president-elect of Chile, Patricio Aylwin, said Friday that as developing countries, Chile and China must strengthen their bilateral relations and cooperation.

Aylwin made the remark when receiving the ambassador from the People's Republic of China to Chile, Huang Shikang. He also expressed his conviction that relations between both countries will not only be maintained but also be further developed in the spirit of cooperation.

Aylwin made a visit to China in 1987. When he was elected president by the December 14 voting, Chinese President Yang Shangkun sent him a congratulatory telegram in the name of the Chinese Government. On this occasion, Ambassador Huang related to Aylwin the greetings of Yang.

Jamaican Parliamentarians To Visit Beijing

OW1101094690 Beijing XINHUA in English
0930 GMT 11 Jan 90

[Text] Beijing, January 11 (XINHUA)—Headley Cunningham, speaker of the House of Representatives, and Courtney L. Fletcher, deputy president of the Senate of Jamaica, will arrive in Beijing on January 14 for a week-long good-will visit to China at the invitation of the Standing Committee of the Chinese National People's Congress, a Chinese Foreign Ministry spokesman announced here today.

Political & Social

Further Reportage on Lifting of Martial Law

First Day Described

HK1101135790 Hong Kong ZHONGGUO TONGXUN SHE
in Chinese 1123 GMT 11 Jan 90

["Tiananmen Square After the Lifting of Martial Law"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 11 Jan (ZHONGGUO TONGXUN SHE)—Today is the first day martial law has been lifted. The citizens' response has been calm and the streets have been quiet as usual.

Following the withdrawal of guards from Tiananmen Square, people started streaming into the square. At noon there were about 1,000 people on the square, most of whom were from outside the city. There was no sign of groups of university students, nor were there many Beijing citizens. At this time of day they were either at school or on duty.

Within two hours after the Mao Zedong Memorial Hall, situated south of the square, opened, over 4,000 people had lined up for entry, most of whom had come from outside the capital.

The focus of people's attention was the Monument to the People's Heroes at the center of the square. Since people were not allowed to go up to the stone steps leading to the monument, they could only watch from its perimeter. Some foreign journalists took pictures of the serious-faced soldiers standing guard on the steps.

The Jinshui Bridge at Tiananmen Square has been opened to the public, and the great city gate was wide open. Tourists could cross the bridge and enter the gate that leads to the Palace Museum. The Laboring People's Cultural Palace and the front gate of Zhongshan Park, situated west of Tiananmen Square have also been opened. During martial law these two places were closed to the public.

The photography business in the square has picked up again. It would have been memorable to have a picture taken on Tiananmen Square on the first day martial law was lifted.

Visitors Occupy Tiananmen Square

HK1101151690 Beijing ZHONGGUO XINWEN SHE
in Chinese 1020 GMT 11 Jan 90

[Report by Wang Xiaoli (3769 2556 2547) and Tian Huiming (3944 1920 494): "Beijing on the First Day After Martial Law Was Lifted"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 11 Jan (ZHONGGUO XINWEN SHE)—After 236 days of martial law, Premier Li Peng announced yesterday that the martial law in some areas of Beijing had been lifted.

On the first day martial law was lifted, the number of tourists on Tiananmen Square was about the same as before the enforcement of martial law, most of them being tourists from outside the municipality. A Mr Li from Hebei told reporters that he was leaving the capital tomorrow and he was lucky to be among the first batch of tourists on Tiananmen Square immediately after the lifting of martial law. The lifting of martial law shows that the situation in China has stabilized. All this has made him particularly happy.

Most tourists went straight to the monument at the center of the square once they arrived, and lingered before the steps for a long time. The monument is surrounded with chains, and tourists are not allowed to set foot on the steps. On the four sides of the monument stand wooden notices about 1 square meter in size, on which are inscribed the regulations to be observed in paying respects to the monument. One of the regulations forbids any painting, drawing, inscribing, posting, hanging and placing of any slogans, big- or small-character posters, or any other propaganda materials in any form. Anybody who wishes to lay wreaths at the monument must seek approval from the duty personnel, and the wreaths must be laid at designated spots.

A 78-year-old man insisted on visiting Tiananmen Square although he was weak and had trouble walking. The sky on this morning was grey and sullen and, with a zero-degree temperature, it was bitterly cold. But the old man's wife complied with her old mate's wish and pushed him—he was in a wheelchair—to the square.

Han Dahai, who enrolled in Beijing No 2 Foreign Language Institute just last autumn, visited the square with seven of his fellow students. They came from the suburbs of the capital by taking a 1-hour ride on public transport. These young men, from places such as Hainan and Tibet, enrolled in the institute last September and October, and Tiananmen Square was a sacred place for them, which they had longed to visit. Today they had pictures taken on the square for future memories.

The chief of the Memorial Hall Reception Counter's administration department, Huang Daxiang, said: From 0900 to 1045 alone over 4,700 people have come to pay their respects—the same number of visitors as before martial law was implemented.

Having seen the monument and the Memorial Hall, people would come under the flying national flag to look afar at the Tiananmen rostrum. The Wu Gate was wide open and on the rostrum were crowds of people. Looking at the square from the rostrum, the parasols of the photograph stands were like tiny dots of mushrooms, making the square colorful and giving it a warm feeling.

Beijing citizen Li Siyi chose a lively way of being one of the first tourists to visit the square after the lifting of martial law: He and his mother played frisbee in the western open space of the square. From their skill people judged that they were good at the game. Li Siyi said: "But I feel particularly happy playing frisbee today."

Residents Support Decision

OW1101170690 Beijing XINHUA in English
1541 GMT 11 Jan 90

[Text] Beijing, January 11 (XINHUA)—Beijingers from various walks of life today told XINHUA reporters that they supported the lifting of martial law and paid tributes to the martial law enforcement troops for their contribution to quelling last June's anti-government riots and restoring stability in the Chinese capital.

The lifting was announced by Premier Li Peng on television Wednesday evening.

This morning people went to the Tiananmen Square, the center of the city, to take photographs, go sightseeing and fly kites, after the Armed Police had left when the announcement went into effect in the small hours.

Fan Lijun and Lu Rong, who live near the square, said that the area has been peaceful and secure since the martial law troops crushed the riots June 3 and 4 last year.

Fang Jida, a worker at the capital iron and steel company, told XINHUA that a handful of rowdies had created a riot and then an anti-revolutionary upheaval aimed at overthrowing the people's government and subverting the country.

He said that the chaos in late spring and early summer 1989 in the capital proved that the imposition of martial law in parts of Beijing was very necessary.

Wang Dianfu, director of the Beijing Radio Materials Plant, recalled how the traffic jams caused by the upheaval last spring affected work schedules and delivery of raw materials. "Without martial law," he said, "the industrial production and the national economy would be in a dreadful state."

He also attributed the capital's normal order and his plant's fulfilling of the state production quotas to the martial law imposed by the State Council.

Ma Guoxun, general manager of the Beijing Garment Import and Export Company, said that as some foreign businessmen left the capital and cancelled some contracts due to the unrest and rioting at that time the company's export volume in the first half of June last year dropped by 70 percent.

Thanks to the return of good social order, he said, "we were able to export more than 170 million U.S. dollars' worth of products last year, 57 percent more than the state quota and 29 percent over 1988."

Workers on the construction sites of the Asian Games projects said the martial law enforcement troops quickly quelled the counter-revolutionary rebellion and brought social order back to normal, risking their lives. While carrying out their duties, the martial law troops also gave support to the construction of the projects for the coming Asian Games.

Han Zuoli, a writer and an educator, said in an interview with XINHUA that "the government's declaration of the lifting of martial law in the areas of Beijing where it had been imposed is a sign of the stability of the capital and the country. Now the party and government are leading the Chinese people on the socialist road and carrying out further reform and economic improvement. As a veteran revolutionary, I feel very glad to see all that."

Qian Chuntao, a leading member of a non-communist party, said the lifting of martial law proved that the quelling of the counter-revolutionary rebellion was a decisive victory.

Hu Daofen, an agronomist with the Beijing Municipal Academy of Farm and Forestry Sciences, said that he agreed with what Premier Li Peng said in his TV speech yesterday, especially the view that "people of the whole country should safeguard the country's stability in the same way as they protect their own eyes."

Teachers and students from Beijing universities and colleges have all expressed their support for the lifting of martial law.

Xu Jialu, vice president of the Beijing Teachers' University, said that people from all walks of life including college students have come to realize that China needs stability.

He said that both the reform and the improvement of the people's livelihood in China need stability, and those who want to create chaos in China will be shunned by the people. He added that China's international exchanges and economic development would benefit from the lifting of martial law.

A student from the history department of Beijing University said that he at first could not get round [as received] to the martial law announcement last May. Yet, time has shown him that it has promoted the stability of the social order and restored normal life in Beijing, he said.

Some students from the People's University of China said that the stability of the country and the society accords with the will of the people of all nationalities in China. "We must cherish the present situation of stability and unity, as we protect our own eyes," they stated.

Public Reaction 'Subdued'

HK1201014190 Hong Kong HONGKONG STANDARD
in English 12 Jan 90 p 1

[By Cheung Po-ling]

[Text] Public reaction in Beijing to the lifting of martial law at midnight on Wednesday has been markedly subdued.

Dawn on Thursday revealed that Tiananmen Square and the roads leading to it had been reopened to the public.

However, the only reaction of one passerby was: "I found it more convenient. But apart from that, I don't have any other feelings."

Scores of local and foreign journalists were the first people to enter Tiananmen Square, followed by Beijing residents curious to see the "hotbed" of the nationwide democracy movement.

Many of the locals said they had come to look for signs of the military crackdown, even though the army has meticulously erased all bullet holes and other evidence of the events of June 4.

Not all of the square had been reopened. Access to the Monument to the People's Heroes, the area hardest hit when the army cleared the square with tanks, was cut off and eight soldiers stood guard.

A notice on the front said the monument needed special protection to "maintain its solemnity". It also barred the leaving of flowers.

The Memorial Hall of Mao Zedong was open, however, and a small queue soon formed outside. However, it comprised only tourists from the provinces who showed little interest in last June's events.

That was true of the majority of people in the square on Thursday. Many said they had only come to see what was going on and crowds would quickly form whenever a reporter conducted an interview with a local or a foreign tourist.

Asked if they felt relieved that martial law was over, most replied: "Not at all."

They said the move merely meant that the armed police who have guarded the square had been replaced by plainclothes security men.

As it was, police frequently marched through the square as if reminding people that they were still there.

However, some people were there to remember June 4: "I have all sorts of feelings in my mind and my heart felt heavy when I revisited this place," said one student, speaking quietly to avoid being overheard. "My mood is as grey as the sky."

Two Detained at Tiananmen Square

HK1201014390 Hong Kong SOUTH CHINA
MORNING POST in English 12 Jan 90 pp 1, 10

[By Seth Faison in Beijing]

[Text] At least two people were detained by police for disrupting the peace yesterday in Tiananmen Square,

marring the full re-opening of central Beijing that followed the lifting of martial law.

After all but a few armed police marched out of the square early yesterday, plain-clothes officers replaced them and sifted through the crowd of tourists, kite-flyers and curiosity-seekers all day.

The officers appeared to be under orders to prevent any show of opposition to the Government, including attempts to mourn those who were killed during the crack down on protesters last June.

The Monument to the People's Heroes, an obelisk in the centre of the square that served as a command post for the democracy movement last year, was cordoned off and six armed police stood guard around it.

In the morning, a university student, carrying large rolls of posters he wanted to display in the Square, walked away as the police began to close in.

"Putting up the posters would be like sacrificing myself for nothing," he said.

Onlookers stared silently at a notice-board where a sign proclaimed the monument was out of bounds.

Pasting up posters, shouting slogans, sleeping on the ground and laying wreaths in the area were forbidden, it added.

"Any laying of wreaths should be done at an appointed place with the permission of the relevant authorities," it read. It gave no indication of who those authorities might be.

In the afternoon, witnesses saw an elderly man in a worn, blue Mao jacket carted away by plain-clothes police after he shouted at soldiers: "How many people did you kill?"

"The living are dead and the dead will return," the man yelled defiantly, shortly before the police escorted him inside the Museum of Revolutionary History, where soldiers or armed police are believed to be stationed in case of large-scale disturbances.

Shortly afterwards, in the course of an interview with a British television crew, an agitated middle-aged woman was taken away by the police after she began to cry while excitedly discussing the need for China's reunification with Taiwan.

Asked why she was being detained, a policeman said only that she had problems.

But others in the crowd clearly got the message they should watch their step, and minimise contact with foreign journalists.

Restrictions on journalists, who under martial law were technically forbidden to report anything not approved by the authorities, were effectively lifted yesterday.

Mr Jin Guihua, a spokesman for the Foreign Ministry, said: "It's a return to normal."

State television reported the majority of Beijing residents had shown great respect for the lifting of martial law, and read out a lengthy justification of the original order that was based on the Prime Minister, Mr Li Peng's, Wednesday night address.

At a press briefing, State Council spokesman, Mr Yuan Mu, said a small increase over the normal troop strength in Beijing and its surrounding area would be maintained to assist Public Security officials in maintaining social order.

From early morning, people watched workmen removing barricades to widen access to the Square and lined up to have their pictures taken by professional photographers.

However, shortly before noon up to 1,000 troops camped in the Museum of Revolutionary History on the east side of the square since June, marched across the square, chanting and singing military songs.

They disappeared into a walled compound near the Great Hall of the People.

"I thought martial law was over," said one of the several thousand people strolling around the 40-hectare square as he watched the soldiers go by.

Mr Yuan denied any of the officers in the museum were from the People's Liberation Army.

"You're wrong. All the soldiers have left," he said as he left the briefing.

Mr Yuan said the timing of the lifting of martial law was not tied to any specific event, but was aimed at improving the capital's mood as the Lunar New Year approached.

Asked if the lifting of martial law meant the dispute over the dissident astrophysicist, Professor Fang Lizhi's refuge in the United States Embassy might also be settled, Mr Yuan let the Foreign Minister spokesman answer.

Mr Jin repeated earlier statements that the Fang question required efforts from both China and the United States.

He said the only way out was for Mr Fang to plead guilty immediately.

Asked about the fate of former Communist Party leader, Mr Zhao Ziyang, Mr Yuan said Mr Zhao's case was still under investigation, and he was living a normal life in Beijing with his family.

Mr Yuan declined to answer a question about when martial law might be lifted in Lhasa, the Tibetan capital, where it was declared last March.

Concern Over East Europe Evident

*HK1201023790 Hong Kong MING PAO in Chinese
12 Jan 90 p 2*

["Special Dispatch": "Beijing Issues Circular On Guarding Against Influence of Upheaval in Eastern Europe on China"]

[Text] According to a Beijing dispatch, despite the lifting of martial law, a tense atmosphere actually still prevails in Beijing Municipality. A notification designed to explain the repeal of martial law to the people shows that the authorities are still quite nervous over the likely repercussions of the East European reforms and the Romanian incident on the mainland.

The notification passed along to party members reminds them that destabilizing factors still exist in the country and hostile elements are not reconciled to their fate. What has happened in the Soviet Union and Eastern Europe is still influencing the mainland, so there must be no slackening in vigilance. If work is not done well, further turmoil is likely. The notification said that attention must be paid to various reactions to the lifting of martial law. There must be no let-up in vigilance, given the external appearance of relaxation.

The notification also said that as far as the East European problem is concerned, we do not intervene in others' affairs. Nor do we want others to interfere in ours. We must stick to principle, exploit contradictions, do more work, and make friends widely. This is a way to overcome the problem of sanctions.

The notification asked departments at various levels to explain to the people the importance and necessity of lifting martial law. Anyone purposely making trouble must be resolutely dealt with and any trouble must be taken care of in its initial stage. A little more work must be done, particularly with regard to institutes of higher learning and colleges. Nothing serious must be allowed to happen.

Attention Turns to Tibet

*HK1201015190 Hong Kong HONGKONG STANDARD
(CHINA TODAY SUPPLEMENT) in English 12 Jan 90
p 2*

[By Tammy Tam]

[Text] After the lifting of martial law in Beijing, the eyes of people at home and abroad turned to Tibet, where martial law troops have been stationed in its capital, Lhasa, since March, two months earlier than the imposition of martial law in the capital.

Although the imposition of martial law in Tibet did not arouse the same opposition from the West as that in Beijing, the Tibet issue has to be put on the agenda of Beijing now.

But Chinese officials and academics did not think the two issues could be compared.

Deputy director of the State Nationalities Affairs Commission Ms Chen Xin said yesterday imposing martial law in Beijing was different from that in Lhasa, and thus the lifting of martial law in the two cities were different.

"Beijing is the capital and because of this special state of Beijing, what happens in the city would affect the whole country. But Lhasa is only a region. However, I believe the lifting of martial law in Beijing would have positive affect on Tibet," she said.

On March 7, 1989, after week-long bloody clashes between pro-independence Tibetans and Chinese police, Premier Li Peng signed an order imposing martial law in Tibet.

"The decision was made in view of the fact that some separatists have been constantly causing disturbances in the city over the past few days, severely disrupting social stability there," the official announcement said.

Ms Chen said that since the pro-independence propaganda from the Dalai Lama's government in exile kept flowing into the Himalayan region, it would add to Beijing's worry on the revival of separatist activities in Tibet, which was the cause for imposing martial law there.

"After getting the 1989 Nobel Peace Prize, the Dalai Lama would feel he was supported by many people in the world, and that would also be used by the separatists as an excuse to advocate their movement," she said.

Ms Chen said there had been no major clash in Lhasa since the imposition of martial law.

"Even when news on the Dalai Lama's getting the Nobel Peace Prize reached Tibet, no trouble was caused. I believe that martial law will be lifted sooner or later," she said.

A prominent scholar on Tibetology, Professor Wang Yao, of the Central Institute of National Minorities, shared those views.

But he believe Beijing would surely put the lifting of martial law in Lhasa on its agenda.

"That is decided by both the big (Beijing) and the small (Tibet) situations. As the capital turns to stability, the whole country is getting more stable," he said.

"Moreover, lifting martial law is the common wish of not only the Tibetan people, but people all over the country. I'm just optimistic on the future of Tibet."

He said that the central government would also be pressed by people concerned on solving the Tibet problem.

But Prof Wang said Tibet was a different city from Beijing.

"Beijing is the capital, lifting martial in Beijing has its international impact. But in Tibet, the lifting of martial law would depend on the real situations there," he said.

According to Prof Wang, Tibet was quite stable. "People are preparing for the Tibetan Lunar New Year which is at the end of this month.

"The government's major concern in Tibet is the pro-independence activities. As long as the separatist activities are under control, the lifting of martial law will not be far away."

After the June 4 killings, the Dalai Lama got tougher and stressed that he would not talk to the current bloody Beijing regime.

And the award of the Nobel Peace Prize to the Dalai Lama after June 4 made many Tibetans see the hope for Tibetan independence.

But Prof Wang, who met three senior representatives of the Dalai Lama in December when he visited Oslo, Norway, said he believed negotiation was the only way to solve the Tibetan problem.

"Of course, the Dalai Lama has a different interpretation on the current situation in the world as well as in China," he said.

"But as long as the central government can improve the living standard of Tibetan people by developing the economy there, the factors leading to instability will be diminished.

"And no matter how tough the Dalai Lama is, both sides should sit down and talk before the problem can be solved properly."

But observers believed lifting martial law in Lhasa would be the first step the Chinese government had to take if it intended to talk with the Dalai Lama.

As pointed out by Prof Wang, nationality problems could lead to national chaos if not solved properly.

The Beijing government, after regaining foreign loans by lifting martial laws in the capital, has to consider the problem of Tibet.

But Dr Lo Chi-kin, a local China watcher said the nationalities problem in China was not as serious as that in the Soviet Union since the Han nationality occupied a dominating proportion in the total population.

"I don't think the Chinese government would think it has such a serious nationality problem," Dr Lo said.

"And I don't see any direct connection between the lifting of martial law in Beijing with that in Lhasa for the imposition of martial law in Lhasa was earlier than that in Beijing, the two cities are under very different circumstances."

Dr Lo said Tibet had a history of strong anti-Han or anti-central government sentiment.

"For the Han people, lifting Beijing's martial law before the Lunar New Year would be considered as a big gift," he said.

"But for the Tibetans, when its new year comes, which is about one day after the Chinese new year, it is a time when the Tibetan national feeling would reach to its climax. And that would very easily lead to instability in the region.

"Lifting martial law in Beijing is because the city is getting stable, not because of Western economic sanctions. So the lifting of martial law in Lhasa would just depend on the situations there."

But Dr Lo said the disappearance of martial law troops in Beijing would at least indirectly affect Tibet and it would be an encouraging signal after all.

Commentator Views Martial Law

HK1201002690 Beijing CHINA DAILY in English
11 Jan 90 p 4

[Article by CHINA DAILY commentator: "Martial Law"]

[Text] The martial law in Beijing is lifted today.

The public is cheered up by this piece of news as it is preparing for the holidays of the traditional Spring Festival—celebration of the Chinese New Year on the lunar calendar. It regards this development as having many propitious indications.

It was the State Council that imposed martial law on Beijing's downtown areas more than half a year ago, when the political situation here was quite different.

A Retrospect

Many unpleasant goings-on were then seen in the city's central Tiananmen Square, main streets and university campuses.

The most unfortunate of all was that some people were instigating antagonism against the constitutional rule of the Chinese Communist Party among college students and city residents. An open riot erupted from among the tumultuary anarchy. It would not have gone away, and would have caused far greater destruction of socialist China and its people's livelihood had a fair number of disciplined troops not been amassed and brought in to restore order.

Much has been done over the last seven months to quell all the unlawful activities, facilitate the functioning of the nation's central leadership and maintain the normal living and working conditions of the millions of metropolitan residents.

By the way, it is also worth mentioning that unlike what some foreigners thought of martial law, the troops in Beijing did not take over the civil administration. Nor were the residents deprived, even temporarily, of their civil rights.

Now

All that has happened between the State Council decisions to impose and drop Beijing's martial law can attest to China's sincerity in continuing its reform and opening to the outside world.

Those are the country's long-term policies, proposed at the initiative of Deng Xiaoping and working successfully since 1978. Last May, the martial law was adopted only when they were faced by too severe a threat. The purpose, quite contrary to what some people imagined as "pitching the martial law against the reform and open door," was to assist these long-term policies and create the conditions for them to stay. Now that such conditions are secured, the martial law naturally gives way.

The most important indication of the removal of Beijing's martial law is the unquestionable improvement of the China's political stability.

The Communist Party has had a stronger leading team, more committed to socialism and efficient in managing state affairs. The economy, despite some transient troubles, is showing better performance. Customers are no longer baffled by sharp price rises, and the stocks of goods for the Spring Festival market are abundant.

At the same time, people, including the once radical young students, have learned a lesson about stability. They have realized through their experience last year that a turmoil definitely cannot benefit their lives in any sense, in terms of political rights or economic opportunities. It can only be a dreadful loss of what people have gained over the past decade of reform and opening.

The nation's stability is always to be highly valued. The public supports the Communist Party leadership even more effectively to check whatever trends, political or economic, that may jeopardize this priority concern.

And with this consensus, China can be assured of a sustained steady progress in its reform and opening in the new decade of the 1990s and beyond.

Yuan Mu Speaks at Foreign Ministry News Briefing

Comments on Lifting of Martial Law

HK1101135890 Beijing ZHONGGUO XINWEN SHE
in Chinese 1126 GMT 11 Jan 90

["Yuan Mu Gives Explanation for Lifting of Martial Law"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 11 Jan (ZHONGGUO XINWEN SHE)—At a news briefing given by the Foreign Ministry today,

Yuan Mu, a spokesman for the State Council of China, was asked by our reporter why the date of lifting the martial law in parts of Beijing should be fixed for 11 January.

He said in reply that the lifting of martial law was principally based on the fact that the task of enforcing martial law had been victoriously completed and that the situation in Beijing and throughout the country has become stable and social order has returned to normal.

He also said: In my view, the lifting was just like where water flows, a channel is formed, and I think it was a natural course of development.

With regard to why 11 January should be chosen for the lifting of martial law, he said: There was no special consideration for the lifting of martial law. If there was possible special consideration, we may say it is because the traditional festival of the Chinese people is getting near. The announcement of the lifting of martial law might add an atmosphere of joy and harmony to the Spring Festival, and it is hoped that people will enjoy a happier festival.

Yuan Mu continued: Before Li Peng announced last night the lifting of the martial law in parts of Beijing, most martial law enforcement troops had returned to where their units are stationed because stability and order were restored in Beijing and the troops gradually reduced the scope of martial law enforcement. After the lifting of martial law, the duty of maintaining public order in Beijing will be handed over to the public security police and the Armed Police.

Then does the lifting of martial law mean that China will take a flexible attitude toward the Fang Lizhi issue?

Foreign Ministry Spokesman Jin Guihua said: The Fang Lizhi issue is a sensitive problem, which needs the efforts of both China and the United States for its solution. Fang Lizhi and Li Shulan offended China's law. The only way out for them is to become aware of their errors and return from their wrong path, admit their guilt as soon as possible and not alienate themselves from the people.

Asked whether those who were arrested after "4th June" will be brought to trial in the near future, Yuan Mu said that the wanted notices have been published in the press. Some of them have been arrested and brought to justice and the judicial departments are trying those cases; and some have fled abroad. After being thoroughly investigated, those who have been arrested and brought to justice will be handled.

To a reporter's question: When will the name list of those who were accidentally injured be made public?

Yuan Mu said: Local governments and relevant units have made appropriate arrangements for those who were accidentally injured. So far as I know, no complicated affair was reported with regard to any improper arrangements for those who were accidentally injured. The Chinese Government has solicited opinions from the

general public, including family members of those who were accidentally injured, about the question of making public the name list of those who were accidentally injured. A considerable number of people do not wish the name list to be made public. So the question of making public the name list still needs further consideration.

Will martial law in Lhasa be lifted in the near future following the end of martial law in Beijing?

Yuan Mu pointed out: The situation in Lhasa is quite different from that in Beijing. He said that so far he had no knowledge of any lifting of martial law in Lhasa.

Denies Economic Pressures

HK1101131090 Hong Kong AFP in English
1257 GMT 11 Jan 90

[By Denis Hiault]

[Text] Beijing, Jan 11 (AFP)—China Thursday said martial law in Beijing was lifted because the capital had returned to normal, refuting the widespread belief here that Beijing had bowed to foreign and domestic economic pressures.

"The situation in Beijing and throughout the country is stable and has returned to normal," government spokesman Yuan Mu said in explaining the move, adding that a desire to please people ahead of the Lunar New Year also contributed to the decision.

Although journalists were present at the invitation of the government when troops were removed from Beijing's Tiananmen Square at midnight Wednesday, government authorities were exceptionally tight-lipped about the number of troops still mobilized.

Mr. Yuan said that the complement of soldiers in and around Beijing will actually be greater than before the "counter-revolutionary rebellion" and the May 20 imposition of martial law.

"There will be more soldiers than before," Mr. Yuan conceded, although he said it would remain modest compared with troop deployments in other countries.

Mr. Yuan also said he hoped that the abolition of martial law, seen overseas as a symbol of the bloody repression of the seven-week pro-democracy movement crushed on June 4, "will add to the happiness of the citizens and the harmony of the festival."

The abolition of the measure comes less than three weeks before the January 27 start of the Year of the Horse.

But the spokesman avoided any link between the end of martial law and what he called "some temporary economic difficulties" in China, to which Premier Li Peng alluded in his Wednesday evening address announcing the lifting of martial law.

The United States, Japan and European governments had made the scrapping of martial law one of the main preconditions for renewing political and economic relations with Beijing, which were sharply curtailed following the June 4 massacre.

"Economic relations should by no means serve as pressure," Mr. Yuan said.

"To take sanctions is harmful to both sides," he added.

Diplomats and other sources here have affirmed that loan suspensions and other measures by Western nations since June have been widely and sharply felt in a Chinese economy already burdened by recession.

The spokesman sidestepped questions concerning the fate of two of China's most celebrated dissidents, astrophysicist Fang Lizhi and his wife, Li Shiuxian, who have been holed up inside the U.S. Embassy here since June.

Asked whether the Chinese planned to demonstrate further goodwill measures involving the couple, he replied: "It is a sensitive question."

"Fang Lizhi and Li Shiuxian have violated the criminal law of China. They should plead guilty immediately and mend their ways so as not to alienate themselves from the people," Mr. Yuan said.

But Mr. Yuan labelled as "speculation" reports emerging last week that negotiations were under way to secure third-party asylum for the couple in a country like Australia or Italy.

The spokesman also refused to say when China might lift martial law in the Tibetan capital of Lhasa—in force since March 8—where he said the situation is not "stable."

Says Zhao Ziyang 'Living Normally'

HK1101124090 Beijing ZHONGGUO XINWEN SHE
in Chinese 1211 GMT 11 Jan 90

["Yuan Mu Says Zhao Ziyang and His Family Are All Living Normally"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 11 Jan (ZHONGGUO XINWEN SHE)—Chinese State Council spokesman Yuan Mu told Chinese and foreign reporters today that Zhao Ziyang and his family are living normally.

Yuan Mu joined the Foreign Ministry press conference, held for the first time this year.

Yuan Mu said in replying to reporters' questions that the problem of Zhao Ziyang has so far remained one within the party. Zhao is being investigated by the party, and the result will be announced to the public when available.

Yuan Mu said Zhao Ziyang is still a member of the CPC.

Senior Leaders Attend Secretaries General Forum

Meet Attendants 10 Jan

OW1101151990 Beijing XINHUA Domestic Service
in Chinese 1018 GMT 11 Jan 90

[By reporter He Ping (0149 1627)]

[Text] Beijing, 11 Jan (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee; along with Li Peng, Qiao Shi, Yao Yilin, Li Ruihuan, members of the Standing Committee of the Political Bureau of the CPC Central Committee; and Ding Guangen, alternate member of the Political Bureau and member of the Secretariat of the CPC Central Committee; on the afternoon of 10 January at the Huairan Hall in Zhongnanhai met and held talks with comrades attending the national forum of secretaries general of provincial, autonomous regional, and municipal party committees. In his speech, Jiang Zemin expressed hope that offices of party committees at all levels would carry on the party's fine traditions, be practical and realistic, maintain close ties with the people, and do an even better job.

After listening to a report on the national forum by Wen Jiabao, alternate member of the Secretariat and director of the General Office of the CPC Central Committee, Jiang Zemin pointed out: The offices are the working organs of party committees at all levels. As important as their position is, they are responsible for informing leaders of the state of affairs; for carrying out, coordinating, and seeing to the implementation of policies; and for handling daily routines. Because they are in a pivotal position of relaying leading organs' instructions and, at the same time, informing them of the feelings of those at lower levels, whatever they report or relay has to be comprehensive, accurate, and truthful. They should never report only the good news and not the bad or vice versa. They also should never let the trivial overshadow the important, nor should they draw a general conclusion from partial phenomenon.

Jiang Zemin stressed: Office workers must be able to pass the stiffest political test, resolutely conforming with the party Central Committee and complying with the organizational discipline; adhere to truth and the mass line; and be very self-demanding and honest. They must constantly improve their understanding of policies and theories and their work proficiency and raise their work efficiency.

Jiang Zemin requested: Party committees at all levels should have trust in their offices, make good use of them, and show concern for their work. Offices, on the other hand, should actively work for party committees of their own accord, fully playing out their role as staff, assistant, supervisor, inspector, and coordinator. He expressed hope that party committees at all levels would pay attention to the training of office personnel. Office workers must continue to be diligent, careful, conscientious, selfless, be willing to play the role of an unknown hero, and do an even better job.

In his speech, Li Peng pointed out: As a major channel linking party and government leaders at all levels to the people, offices play an important role in helping leaders make right decisions. Therefore, offices must report the state of affairs truthfully, accurately, and comprehensively; constantly improve their work quality; and provide a good working state for leaders at all levels. Meanwhile, they also must take the lead in promoting clean government and ensure close ties between leading party and government bodies at all levels and the people.

At the meeting, Qiao Shi, Yao Yilin, and Li Ruihuan also presented their views about how offices can improve their workstyle and do a better job under the new situation.

The 4-day national forum of secretaries general of provincial, autonomous regional, and municipal party committees ended in Beijing today.

Deliver Speeches 11 Jan

*OW1101163690 Beijing XINHUA in English
1524 GMT 11 Jan 90*

[Text] Beijing, January 11 (XINHUA)—A senior Chinese Communist Party official today urged general offices of party committees at all levels to carry forward the party's fine tradition, and keep up the work style of seeking truth from facts and maintaining close links with the masses.

Jiang Zemin, general secretary of the Central Committee of the Communist Party of China (CPC), told a national conference here attended by general secretaries of party committees from all provinces, autonomous regions and municipalities that general offices at all levels must shoulder the tasks of reporting local situations and problems to higher authorities and implementing the party's lines and policies.

He called on all general office employees to be as one with the party Central Committee, abide by party discipline, maintain honesty and blamelessness, arm themselves with Marxist theory and raise work efficiency.

General offices are required to be enthusiastic in supporting the work of party committees and at the same time supervise and coordinate the work of the party organizations, Jiang said.

Li Peng, member of the Standing Committee of the Political Bureau of the party Central Committee, urged the staff of general offices at all levels to report local conditions in an accurate and all-round way, do a better job and create favorable working conditions for leading officials.

Qiao Shi, Yao Yilin and Li Ruihuan—all members of the Standing Committee of the Political Bureau of the CPC Central Committee—also delivered speeches on how to improve the party's work style in the new conditions and make general offices more competent and efficient.

The four-day conference closed today.

Li Ruihuan Inspects Hebei's Festival Arrangements

Activities Described

*OW0801110290 Beijing XINHUA Domestic Service
in Chinese 1018 GMT 6 Jan 90*

[By HEBEI RIBAO reporter Zhang Xijie (1728 6932 2638), XINHUA reporter Jiang Shan (3068 1427)]

[Excerpts] Shijiazhuang, 6 Jan (XINHUA)—While inspecting arrangements for the Spring Festival cultural activities in Hebei Province recently, Li Ruihuan, a member of the Standing Committee of the CPC Central Committee Political Bureau and a member of the CPC Central Committee's Secretariat, said that this year's Spring Festival is the first of the 1990's. Therefore, party leadership at all levels should carry forward the party's fine tradition of showing concern for the masses and go along with them to help solve practical problems in order to enable them to have a happy, auspicious, and civilized Spring Festival.

Li Ruihuan made this remark at a meeting on 4 January to discuss arrangements for the Spring Festival cultural activities in Hebei Province. At the meeting, after hearing reports by the Hebei Provincial Party Committee, Shijiazhuang City, Tangshan City, Baxian County, and Fengfeng Mining Zone authorities on preparations made to arrange Spring Festival cultural activities, he made a speech entitled "Have a Happy Spring Festival." [passage omitted]

Comrade Li Ruihuan arrived in Hebei Province on 3 January. Accompanied by Xing Chongzhi, secretary of the Hebei Provincial Party Committee; Li Wenshan, deputy secretary; and Yue Qifeng, deputy secretary and governor of Hebei Province, he visited factories, villages, rural markets, and peasant families in Shijiazhuang between 3 and 6 January to survey arrangements for the Spring Festival cultural activities and to view living conditions there.

On 5 January, he visited a number of peasant families in Xibobo Village, Pingshan County—an old revolutionary base deep in the Taihang Shan—to inquire about their living conditions. At the home of villager Yan Chaoshu, Comrade Li Ruihuan asked the mistress in detail about her harvest and per-capita income. He also asked her if she had prepared meat and other things for the Lunar New Year. When he saw that the family of Yan Chaoshu had moved into a new house, and when he heard that her family have cabbage every day and that she had bought pork, the equivalent of a half of a pig, for the festival, Li Ruihuan said happily: I have been profoundly educated after visiting Xibobo, an old revolutionary area, and seeing the inscriptions by Chairman Mao and Premier Zhou on learning to work for the people. The objective of all our work is to enable the common people to enjoy a good standard of living. We felt much better after seeing

that the villagers were prospering. At the home of villager Chen Shulan, Comrade Li Ruihuan learned that the family was having temporary difficulties because their children were still small and because they had just built a new house. With much concern, he told the county and township cadres by his side that the purpose of government is to reassure the people and that the way to reassure the people is to understand their difficulties. He urged that during the Spring Festival holidays, cadres at all levels should go to difficult areas and visit families having the greatest difficulties in order to help them solve practical problems, adding that cadres should take the initiative and be more considerate and should try to provide timely help while avoiding doing unnecessary things. Chen Shulan said with great feeling: "We are deeply grateful to the party and the government after seeing the concern shown us by the central leadership."

Delivers Speech 4 Jan

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[Speech by Li Ruihuan at a discussion meeting on arranging Spring Festival activities for Hebei Province on 4 January 1990, entitled: "Happily Spend the Spring Festival"]

[Text] Shijiazhuang, 6 Jan (XINHUA)—Not long ago, the Propaganda Department of the CPC Central Committee and the Ministry of Culture made arrangements for cultural activities for the New Year and this year's Spring Festival. Now the New Year has passed. Today, I mainly want to know the arrangements for the Spring Festival.

The Spring Festival is a traditional festivity of the Chinese people. The Spring Festival was originally called year. Mythologically, "year" was a kind of fierce and cruel animal. On the 30th of the 12th month of the lunar year, this kind of animal would come out to harm people and livestock. Later, people discovered that "year" was afraid of loud noise, red color and fire, and so people thought of many methods to defend themselves against "year." The customs of burning firecrackers, beating drums and gongs, lighting red candles, and hanging "peach wood charms against evil" and antithetical couplets were gradually formed. Of course, that was only hearsay. Following the Revolution of 1911, our country adopted the Gregorian calendar and so the new year of the old calendar was changed to the Spring Festival. However, people still customarily call it the celebration of the new year. People in our country attach particular importance to celebrating the Spring Festival. In order to properly celebrate the Spring Festival, people often make a lot of preparations quite a few days before the festival. They include preparing sweet gourd on the 23d, writing large characters on the 24th, sweeping house and yard on the 25th, buying meat on the 26th, killing a cock on the 27th, fermenting flour on the 28th, and pasting an incense dipper on the 29th. People who work or have things to do in other places always want to return to their

homes by any means in order to celebrate the new year before the 30th of the 12th month of the lunar calendar. People will reserve their best food for meals during the Spring Festival and wear their best clothes during the days they celebrate the new year of the lunar calendar. On the 30th day of the 12th month of the lunar calendar, people will stay up late or all night. On the 1st day of the new year of the lunar calendar, people will visit each other to pay a new year's call. Various cultural and recreational activities will be presented during the period. Therefore, the Spring Festival is the most lively festival in the whole year.

Our party and government have always paid good attention to the celebration of the Spring Festival. During the war years, Chairman Mao and other leading comrades often watched the spring folk dances, drank rice wine, ate new year cake, and happily celebrated the Spring Festival together with the people in the base area. After the founding of the People's Republic, the party and government have been presenting a series of activities during the period of Spring Festival each year. Leading cadres at various levels would go down to plants, rural areas and military units to see the masses and happily celebrate the Spring Festival together with the people.

This year's Spring Festival is the first Spring Festival in the 1990s; it is also an unusual Spring Festival. It is unusual because, first, following the political upheaval during the period of late spring and early summer last year, the situation of the whole country has become more and more stable and the people all the more cherish the peaceful days. Second, we have achieved initial success in improving the economic environment and rectifying the economic order, and the economic situation is developing in a favorable trend. We must further heighten our spirit in order to overcome temporary difficulties. Third, the changeable international situation will require us to work harder for the prosperity of our country and to properly perform all our tasks. Properly celebrating this year's Spring Festival and creating a good social atmosphere will have important bearings on strengthening our confidence, doing our jobs well, and making continuous progress. How can we properly spend the Spring Festival? I think it includes the following three points.

First, happily spending the Spring Festival is to have cultural activities with rich and varied programs; this enables all the people to have some rest and to enjoy the beauty of singing and dancing in order to extol the good times.

Leading groups at various levels and cultural and propaganda departments should do their best to prepare elegant spiritual food for the people. In particular, we should make great efforts to carefully select and prepare television programs by taking the interests of the majority of the masses into consideration, attending to all sides, and preparing rich and systematic programs and not disorganized and dull programs. During the period of the Spring Festival, reports of a general nature,

advertisements and propaganda should be reduced. Various audio and video recording units and movie distribution and projection units should take the initiative to acquire sufficient films and increase their showings. Various professional art troupes should make preparations to perform theatrical programs with relatively high quality. Movie distribution and projection units and art troupes should do their best to show movies and give performances of theatrical works in the rural areas and at plants and military units in order to comfort the staff members and workers who continue to work during the festival, the frontier and coastal guards and sentries, the sick people in hospitals, and peasants in remote areas. Various cultural halls and stations and public recreational sites at the grassroots level should continue to remain open during the festival period and to properly carry out various cultural activities. We should provide a sufficient supply of cultural items for the festivity including Spring Festival pictures, hanging calendars, Spring Festival couplets and lunar calendars. According to the traditional customs of people in various localities, we should properly organize mass recreational activities, such as flower shows in the northern regions and dragon lantern shows in southern regions; this will enable the masses to view and admire shows and at the same time to perform by themselves. In short, we should create a fervent, lively and happy atmosphere during the festivity.

Second, we should spend a serene and peaceful Spring Festival. We should, through the celebration of the festival, promote mutual-understanding between cadres and masses, enhance friendship among colleagues, improve relations among neighbors and strengthen unity between the army and the people in order to further promote a cooperative and harmonious atmosphere in the society.

We should do a good job in carrying out activities which support the army and give preferential treatment to military dependents as well as activities which support the government and cherish the people; further develop the tradition of mutual love between the army and the people in the whole society; extensively unfold activities of learning from Lei Feng and Lai Ning [6351 1337]; and organize young people to present activities of providing services for old, weak, sick and disabled people and widowers, widows, orphans and the childless.

Cadres at various levels should—through new year greeting activities, home visits, heart-to-heart talks and other forms—call on plants, villages and families with difficulties in order to know the situation of their preparations for the Spring Festival, solicit their opinions and suggestions, and effectively help them solve some actual problems. It is necessary to visit those comrades who have complaints about the leadership, extend new year greetings to them, and listen to their opinions in order to enhance mutual understanding and promote friendship.

Since the founding of the People's Republic, especially since the reform and opening to the outside world 10 years ago, the people's living standard of our country has been rising steadily. However, we should also realize that, due to certain reasons, a small number of people actually have difficulties in their livelihoods. Party and government departments at various levels must take effective measures to help those people solve specific problems and so enable them spend a satisfactory and happy Spring Festival. At the same time, we should, through extensive propaganda, mobilize social forces to jointly help them so as to demonstrate the new type of socialist relationship among the people in our country. Showing concern for the living condition of the masses, thinking about the need of the masses, and being eager to help those in difficulty are our party's honorable tradition and are also important forms and aspects of carrying out ideological and political work. It is hoped that various localities and leading comrades at various levels would work a little harder during the Spring Festival period and strive to do a good job in this matter.

Third, spending a civilized Spring Festival means we should advocate healthy and beneficial practices and eliminate the foolish and backward old customs in order to insure safety and cleanliness.

Following earlier activities of "sweeping away pornography" and eliminating "the six vices" throughout numerous localities, various kinds of ugly phenomena have been greatly reduced. Nevertheless, we should also understand that those kinds of phenomena have not been totally eliminated yet. According to our past experiences, gambling and superstitious activities have easily emerged during the period of the Spring Festival. Therefore, we should heighten our vigilance in grasping this work and not allow those harmful things to disturb the people's celebration of the festival.

We should pay particular attention to insuring safety during the period of the festival. Many cases of people's being hurt or of fire accidents due to burning firecrackers have happened every year. Exploding firecrackers because of happiness, being hurt because of burning firecrackers, suffering pain due to injuries and feeling sorrowful after extreme joy are indeed not worthwhile. This year, we should do a good job in propaganda work and make preparations for guarding against accidents ahead of time. We should do our best to guard against or reduce the number of accident cases. At the same time, we should also do a good job in insuring public security during the period of the festival.

We should do a good job in improving sanitation during the Spring Festival period and insure that people can spend the festival in a clean environment. We should guard against extravagance and waste, and avoid eating and drinking too much and too quickly. We should pay attention to the sciences of food and beverages and enjoy and eat in a civilized manner.

Party and government organization at various levels and leading cadres should attach importance to helping the broad masses spend the Spring Festival in a proper manner. They should see that this is a good opportunity to show concern for the living of the masses, to do a good job in ideological work, to promote the building of spiritual civilization, to improve leading style, and to promote good relations between the cadres and the masses. As our forefathers said, the smooth ruling of the country depends on the wealth of the people, and peace and tranquility of the country depends on the happiness of the people. We have the responsibility along with the resources to help the broad masses spend a happy, serene, peaceful and civilized Spring Festival. Through various activities during the Spring Festival period, we can enable the people to further heighten their spirit, become united, and win new victories in improving the economic environment and rectifying the economic order, deepening the reform, and promoting various socialist endeavors under the leadership of the Party Central Committee.

The year of the horse will soon be here. Tens of thousands of fine horses will usher in a new era with their galloping. I wish you comrades good luck and prompt success in the new year!

Li Ruihuan Speaks on Developing National Culture

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[Text] Beijing, 11 Jan (XINHUA)—At the national seminar on the situation of cultural and art work in China, Li Ruihuan, member of the Standing Committee of the Political Bureau of the CPC Central Committee, delivered a speech on 10 January entitled: "On Certain Issues Concerning the Development of Splendid National Culture." In his speech, he said that to invigorate literature and art, it is necessary to vigorously develop China's splendid national culture.

Li Ruihuan pointed out: Under the current international and domestic situation, the development of national culture not only directly affects the rise and decline of our culture, it is also of great political significance. To develop national culture is an important condition to inspire the national spirit, increase the sense of national pride and self-confidence, bring into full play the spirit of patriotism, and counter all pressures from outside. In order to achieve the reunification of the motherland, the development of national culture serves as a bridge that links the two sides of the strait and as an important force for deepening mutual understanding of people of Chinese descent at home and abroad and strengthening national unity.

He said: Right now, our entire nation is concentrating its efforts on developing the socialist modernization program. During this great historic process, cultural work is extremely important. The people urgently need a healthy and rich spiritual and cultural life and require finer literary and art works to reflect their great practice, help

them understand their new life, and inspire them to forge ahead. This is also the common aspiration of all comrades in the cultural department and the literary and art circles. Developing fine national culture is an important issue of great interest to the whole party and society, as well as a urgent task facing the cultural front.

Bring Into Full Play the Role of Literature and Art in Stabilizing Society and Inspiring People

Li Ruihuan stressed the need to continue the "antipornography" campaign on the one hand, while invigorating literature and art on the other. He pointed out: With the support of the people throughout the country and the joint efforts of all departments, tremendous achievements have been made in developing the "antipornography" campaign over the past several months. Notable changes have been noticed on the cultural market. Right now, the "antipornography campaign" and the struggle against the "six vices" are being developed in depth. The situation is fine. A task of top priority is to provide enough nourishment for the mind to occupy the cultural market and the various public places of entertainment and take up the people's spare time and fill their minds. If we fail to carry out this work, it will be impossible to get rid of the dross, and those decadent things which we have got rid of will stage a comeback. The comrades on the literary and art front must fully realize the significance and urgency in dealing with this issue, and consciously shoulder this heavy historical responsibility.

Li Ruihuan pointed out: Our struggle against bourgeois liberalization is not aimed mainly at "opposing pornography." So far as the literary and art front is concerned, the influence of bourgeois liberalization is serious. Some of the literary and art works run counter to the four cardinal principles and breed doubts and distrust toward the party and socialism. A handful of people were even drawn into a political storm which broke out between spring and summer of this year and took a stand opposite of the party and the people. The comrades on the literary and art front must soberly realize this situation. Under no circumstances should they underestimate it. Still less should they cover up their shortcomings. Since the 4th Plenary Session of the 13th CPC Central Committee, the party committees at various levels have carried out, on the literary and art front, education and struggle to adhere to the four cardinal principles and oppose bourgeois liberalization and scored certain achievements. We must further carry out this task in depth. At the same time, we must take actions to vigorously promote and develop socialist literature and art, occupy the ideological and cultural fronts with healthy and fine literary and art works, effectively curb and eventually eliminate the influence of bourgeois liberalization in the realm of literature and art, and consolidate and enhance the achievements in opposing bourgeois liberalization.

Li Ruihuan said: The task to improve the economic environment, rectify the economic order, and deepen reform which we now are performing is an extremely arduous task. To fulfill this task we must first maintain

social stability. Second, we must rejuvenate our spirit. The special role of literature and art in maintaining stability and inspiring our spirit is not replaceable. He said: To invigorate literature and art is not only a means to stabilize society, but also a hallmark for social stability. Right now stability is more important than anything else. To maintain economic, political, and social stability, we must first of all stabilize the people's feelings. We must help people overcome their difficulties in their livelihood and strengthen political and ideological work. At the same time, we must develop various types of mass cultural activities, try our best to enliven cultural life, and create a stable and harmonious social atmosphere. This requires that the vast numbers of literary and art workers do good work in the various literary and art fields in the spirit of improvement and rectification; actively work to stabilize the situation and ensure improvement and rectification; promote colorful literary and recreational activities by creating good and healthy literary and art works in order to enrich the people's cultural life; and vigorously promote in all literary and art works and cultural activities the "five spirits" advocated by Comrade Deng Xiaoping, namely, the revolutionary and death-defying spirit, the spirit of self-sacrifice and of strictly abiding by discipline, the spirit of being selfless and of giving priority to others, the spirit of crushing all enemies and difficulties, and the spirit of achieving victory by maintaining revolutionary optimism and overcoming all difficulties in order to inspire the people to advance against difficulties. This is the unshirkable duty of the vast numbers of literary and art workers, as well as a contribution they ought to make in the new situation.

Li Ruihuan said: Since the 3d Plenary Session of the 11th CPC Central Committee, the vast numbers of literary and art workers—following the literary and art ideology expounded by Comrade Mao Zedong in his "Speech at the Literary and Art Forum in Yanan" and other literary works, and following the series of important instructions by Comrade Deng Xiaoping—have persisted in serving the people and socialism; explored ways to reflect realities in depth and in scope, and to improve their artistic technique of expression; and made noticeable progress. There have been many good works in novels, reportages, poetry, motion pictures, television drama, modern opera, traditional opera, music, art, photography, dance, folk art, acrobatics, calligraphy, and other fields. Literary and art works have made active and beneficial contributions to emancipating the mind; to encouraging people to devote themselves to promoting socialist modernization, reforms, and openness; and to enriching the masses' cultural life. However, we should note that there have not been many good literary and art works that reflect the great achievements in reform and construction in the past 10 years, can keep pace with our great people and great time, and can arouse a strong response across the country. Our literary and art workers should, with a high sense of responsibility to society and history, devote themselves to promoting the lofty cause of invigorating socialist literature and art, do all they can

to provide people the best nourishment for the mind, and strive to satisfy the people's increasing needs in cultural life.

Speaking on the issue of invigorating literature and art being the central task of cultural departments at all levels, Li Ruihuan said: From the central authorities down to the local authorities, leading organs and cadres at all levels of the party and government must, with a high sense of responsibility, do their best to fully arouse the enthusiasm and creativity of the vast numbers of literary and art workers and encourage them to provide sufficiently good cultural products to society. The fundamental criterion for determining whether leading work in literature and art yields good results and how good the results are is to see if healthy socialist literature and arts prosper. If a locality or department has had no good literary and art works, has had no outstanding literary and art workers, or has had no books to read and operas to see for a long time, just as a locality or department has been unable to provide enough food to the people, no one can say [word indistinct] the leaders of that locality or department are competent. Such leaders cannot win the support of the masses.

Vigorously Promote the Splendid Chinese National Culture

Li Ruihuan said: Literature and art are part of culture. As contacts between countries and nationalities increase, cultural exchange between them also become more frequent. However, in general, the culture of a country continues to preserve its distinct national characteristics. In recent years, disputes centering on our national culture and on the cultural front in our country actually have involved major ideological and political struggles. Negating national culture and promoting national nihilism and historical nihilism are part of the advocacy of total Westernization championed by those who have stubbornly persisted in their bourgeois liberalization stand.

Li Ruihuan said: Both in the East and the West, all nationalities have their own culture with unique characteristics. Culture and art are inseparable from the people's lives, habits, thinking, feelings, and languages and are inseparable from a nationality's historical development. People of different nationalities have their own language, live in different geographical environments, and have different economic and social development; therefore, a nationality's culture always has its own nationality form and style.

Li Ruihuan said: Chinese national culture includes that of people of minority nationalities as well as that of the people of the Han nationality. It includes modern as well as ancient culture. Chinese national culture occupies an extremely important position in the history of world civilization. It has its special characteristics of being long-standing and well-established, rich and profound, and influential in a lasting manner. Our ancestors have

left us abundant and extremely valuable cultural treasures. We should cherish, protect, and discover the outstanding culture of the Chinese nation and make further creations and progress on the basis of the hereditary civilization.

Li Ruihuan said: On the question of treating the cultural tradition of our nation, there have been many different attitudes and arguments since the 4 May movement. Chinese Marxists hold that we should discriminatingly carry forward our cultural tradition. This is the only correct way. The erroneous attitudes to our national culture are mainly of two kinds. One is the total and indiscriminate acceptance of the traditional culture and swallowing ancient learning without digesting it. The other is historical nihilism, which totally negates our national culture and advocates "total Westernization." The great victory of the New Democratic Revolution in our country and the great achievements of our socialist construction have declared the bankruptcy of national nihilism and "total Westernization" with undeniable facts.

Li Ruihuan pointed out: In recent years, a conspicuous demonstration of the spread of the ideology of bourgeois liberalization is the advocacy of national and historical nihilism. Bourgeois liberal bigwigs, like Fang Lizhi, Liu Xiaobo, and the author of "River Elegy," have described Chinese national culture as "having come to a premature end," being "unable to nurture a new civilization," and being "the civilization of the loess plateau." They deem that the several thousand years of the history of the Chinese nation includes nothing but "ignorance and backwardness," and advocate copying the world outlook, concept of history, and values of Western bourgeoisie. Their so-called "cultural demand," which belittles national culture and distorts national history, is in accord with their demand for copying the Western system of private ownership economically and the Western multiparty system politically. Their political goal is to negate the socialist system and the leadership of the Communist Party. The so-called "cultural elite," who keep to bourgeois liberalization, became the "elite of turmoil" during the political upheaval in late spring and early summer last year. Following the bankruptcy of the counterrevolutionary rebellion, some of them have betrayed their country and escaped to foreign countries, and have gone from national nihilism to national betrayal. This fact most clearly explains that the advocacy of the concept of national and historical nihilism is not only a cultural problem but also a political one. It is not merely a question of attitude toward history, but more importantly, it is a question of practical significance. We must not underestimate the bad influence in political and ideological fields caused by this ideology. For a period, certain people thought that China had nothing good and all foreign things were better. They praised the Western world and blamed their ancestors. The situation of worshiping foreign things and fawning over foreign power while forsaking national and personal dignity happened quite frequently. To criticize penetratingly national and historical nihilism has an important

bearing on carrying forward the outstanding culture of the Chinese nation, and it will also play an important part in developing our patriotic spirit, defending our national dignity, and guiding the people to follow the correct orientation and our country to embark on the correct road.

Touching on the question of attaching importance to and studying the building of a new socialist culture with Chinese characteristics, Li Ruihuan said: New socialist culture with Chinese characteristics means a new culture integrating our national form with socialist contents, and the main part of the new culture should be in accord with China's national situation. It should give expression to the life and style of socialist times, show the essential aspects of actual social relations and the trend of historical development, and reflect the spirit of the socialist era. This new culture is to be established on the basis of socialist politics and economy with Chinese characteristics and should promote socialism with those characteristics. Without this kind of new culture, it will be impossible to truly accomplish the historical task of building socialism with Chinese characteristics.

He said: In order to establish the new socialist culture with Chinese characteristics, we must take root in the profound Chinese national culture, penetratingly study China's history and culture, and carry forward the outstanding tradition of Chinese national culture. As long as we clearly know our orientation, firmly establish our confidence, struggle in unity, and work hard incessantly in this and future generations, we can certainly develop and carry forward the outstanding tradition of Chinese national culture along with the development of the socialist economy and politics in our country and build a new socialist culture with Chinese characteristics. In this way, we shall feel no qualms concerning our ancestors and ourselves.

It Is Necessary To Actively Borrow All Foreign Cultures Which Are Useful to Us and Energetically Praise the Epochal Socialist Spirit.

Li Ruihuan said: Carrying forward the outstanding tradition of national culture does not mean expelling foreign culture. Particularly in the increasingly frequent international culture exchanges today, the expulsion of foreign culture and locking ourselves away culturally would only delay the course of development of our national culture. Actively borrowing and absorbing all useful foreign culture will be an important condition for promoting the development of our national culture. Under the socialist condition and in promoting reform and opening to the outside world today, we should be more daring in absorbing foreign cultures. Whether they are from capitalist or socialist countries, whether they are from the Third World or from the developed countries, and whether they are ancient or contemporary, we should take the initiative to understand, introduce, study, and borrow them as long as they are of positive spiritual value, new achievements of civilization created

by mankind, and outstanding artistic forms created by various nationalities of the world.

Li Ruihuan said: In borrowing foreign culture we must take our own national practice into consideration. We should, based on the need to promote socialist modernization and develop our national culture, examine and observe the ideological contents and artistic forms. We should use the Marxist stand, viewpoint, and methods to analyze, distinguish, select, and transform them in order to "make foreign things serve China." We should first develop the outstanding tradition of our national culture and establish its deep foundation in our education to strengthen our ability to absorb foreign culture.

Li Ruihuan said: Since the 3d Plenary Session of the 11th CPC Central Committee, and following the implementation of the policy of reform and opening to the outside world and the development in cultural exchanges with foreign countries, we have made great progress in understanding, introducing, studying, making use of, and absorbing foreign cultures. Cultural exchange has been carried out on an unprecedentedly large scale. The amount of exchange, the scope of the contents of exchange, and the speed of information relayed have all never been seen before. This has opened up a new frontier for our people, especially cultural workers; has expanded their knowledge; and has invigorated their thinking. It has enriched and diversified the contents, materials, styles, techniques of expression, and methods of creation of our literary and art works. It has also made great contributions to modernizing our cultural facilities and the means of art dissemination. At the same time, however, we should note that in recent years there have been fairly serious confusion in our attitude toward foreign cultures. In translating, publishing, and appraising foreign cultural and art works, and in importing audio and video products, we sometimes have been too indiscriminate and perfunctory and have blindly advertised these foreign works and products. More serious has been that some people have made use of reform and opening to vigorously publicize the Western bourgeois world outlook and political views and advocate a decadent outlook on life and value, which has added to the flood of liberal thinking. We must pay great attention to this phenomenon and seriously curb and correct it.

Li Ruihuan said: The great Chinese nation should, and can, make greater contributions to world culture. The only way to do this is to work hard to create good cultural and artistic works with distinct Chinese characteristics. The more Chinese characteristics our cultural and artistic works have, the more they can contribute to world culture. This has been proved by numberless facts.

Li Ruihuan stressed: Our advocacy of promoting our national culture and attaching importance to national form and style does not mean that we do not pay attention to reflecting reality. The purpose is to better express the socialist spirit of the time. Our literature and

art must hold high the banner of socialism; enthusiastically sing the praises of all good socialist things; and inspire the masses to devote themselves to promoting socialist modernization, reforms, and opening. Not demanding that literature and art be subject to temporary, specific, and direct political tasks does not mean in the slightest that literature and art can deviate from the political course of serving socialism. We should give full play to the various functions of literature and art in order to extol and express the great achievements our people made in winning the victory of the new-democratic revolution under the leadership of the Communist Party; the great achievements in socialist construction our people have made since the founding of the People's Republic, especially in the past 10 years of reform and opening to the outside world; and the general trend of historical development that socialism is bound to take the place of capitalism. This life and spirit of the socialist times can be accepted by the broad masses of the people and truly become the art of the people only if they are expressed in the artistic form welcomed by the contemporary Chinese people. Li Ruihuan hoped that the vast numbers of literary and art workers would practice in society; integrate themselves with the masses; try to understand the people's lives, work, labor, creations, joys, and grievances; find material, stories, and languages from red-hot lives; and use literary and artistic works with Chinese characteristics and style to truly and penetratingly reproduce the inner world and heroic deeds of new socialist people, create lifelike and touching artistic images, and express the revolutionary ideals, scientific attitude, lofty sentiments, creativity, broad vision, and pragmatic spirit of pioneers of the new period. Li Ruihuan said that many literary and art workers had already acted in this way and hoped that more would follow suit.

Li Ruihuan said: Serving the broadest masses of people is the orientation as well as the purpose of literature and art. Our literary and art workers should devote some of their time to studying people's habits of appreciation and make vigorous efforts to create literary and artistic works with a pronounced national and local flavor. It is our duty to dig up, sort out, process, create, perform, or disseminate what the broad masses of workers, peasants, and intellectuals, including blood compatriots on both sides of the Taiwan Strait and Overseas Chinese, want and love to see and hear.

On the all-around implementation of the policy of "letting a hundred flowers blossom and a hundred schools of thought contend," Li Ruihuan said: The "double hundred" policy is the basic principle for the blossoming of socialist literature and art. To implement this policy, it is necessary to strive to create for literary and art workers an environment characterized by democracy, harmony, unity, hard work, and progress. Years of practice prove that when the "double hundred" policy is upheld and implemented, socialist literature and art thrives and is full of vitality, and when this policy is abandoned or deviated from, socialist literature and art withers and

become desolate. We must always bear in mind the historical lesson that "there were only 8 Beijing operas for 1 billion people" during the 10 years of turmoil.

He said: Practice proves that in upholding the "double hundred" policy, it is important to do the following things: 1) Comradely discussions should be held; 2) practice and the masses should be respected; 3) the dialectical relationship between "serving the people and socialism" and the "double hundred" policy should be properly handled; 4) the characteristics and laws of literature and art should be respected. Leaders should keep in close contact with literary and art workers, constantly heed their opinions, and guard against dealing with the artistic works of writers and artists in an oversimplified and crude manner.

Strengthen Party Leadership Over Literature and Art and Create an Environment in Which Public Opinion Values National Culture

Li Ruihuan said: In view of the tendency to ignore national culture over the past several years, journalistic units and cultural organs should effectively strengthen publicity on and dissemination of national culture. While strengthening and reforming ideological and political work, we should propagate national culture. Education on patriotism, collectivism, and socialism; on building an enterprise through arduous work and thrift; and on the condition of the country and the current situation should all be combined with education in the fine traditions of national culture and fine revolutionary traditions. Attention should be paid to adopting ways in which national cultural activities are conducted so that ideological education embodies more of the national spirit and style. Education should be better conducted through recreational activities in order to achieve the purposes of cherishing national culture and fostering high national aspirations.

Li Ruihuan said: It is a long-term task of strategic significance to propagate national culture and foster and strengthen our national dignity, confidence, and pride. This work should be started in kindergarten and primary school. Schools, families, and society should make concerted efforts to educate children and teenagers in national history and culture by stages.

He pointed out: A cultural environment with distinctive national characteristics should be gradually created through writing and compiling reading materials of various kinds. Teenagers should be organized to vigorously carry out national cultural activities in order to enhance their understanding of national culture. They should be enabled not only to have some knowledge and skills in this regard, but more importantly, to inherit and develop the fine moral character of the Chinese nation and evolve the national spirit of present-day China.

Li Ruihuan said: The building of socialist culture with the development of national culture as its main content is related to many aspects. We should mobilize all forces in the society and work jointly with good coordination.

Therefore, we should take the entire situation into consideration, make plans at various levels, and proceed in an organized manner with good leadership.

Li Ruihuan pointed out: In order to develop national culture, we should support the work with funds and materials. First, we should reasonably adjust existing cultural investment. Second, we should adopt an appropriate policy in the collection of taxes so as not to let units and individuals who have created and performed healthy and outstanding works suffer financial loss. Third, we should study and improve the current distribution policy. Fourth, we should advocate the practice of managing cultural affairs through thrift and hard work, and strive to do more with less money or do things without spending money.

Li Ruihuan said: Training and cultivating a large number of national cultural workers is a fundamental way to carry forward and develop national culture and is also an urgent and current task. We must adopt various effective measures, including properly running the various cultural and art colleges and schools to train and cultivate professional people in various fields. We should give full play to the role of veteran experts and artists and request them to pass on their experiences, give help, and set an example in training new hands. We should create good conditions for those cultural workers who have become experts through their own efforts to help them develop their talents. As to those folk artists in society, we should also show concern for and support them, and give full play to their positive role in developing national culture.

Touching on the question of strengthening the unity of literary and art ranks, Li Ruihuan said: Our national culture workers are far from adequate in meeting the demand in terms of both quantity and quality. Therefore, it is particularly important to strengthen unity and cooperation. National culture has various categories and sects. Each of them has different instructors and specialties. Developing national culture is to raise the level of all categories and sects. National culture workers should respect and learn from one another. They should learn from the strong points of others to offset their own weaknesses. They should carry forward and develop the traditional virtue of our nation, attach importance to the great national cause, be broad-minded and tolerant toward others, extricate themselves from narrow-mindedness, pay no attention to trifling things, look forward, and unite and work with concerted efforts to make contributions to revitalizing our national cultural undertakings with the great goal of developing our national culture.

Li Ruihuan emphatically pointed out that it is necessary to strengthen the party's leadership over the development of national culture. It is necessary to place the work on the daily agenda of party organizations and assign persons to take charge of it. While building socialist material civilization, it is necessary to consider the development of national culture as an important part in

the building of spiritual civilization. It is necessary to periodically study and discuss the work and supervise and inspect it in a timely manner. It is necessary to strengthen ideological and political work for cultural workers and show concern for them politically. It is necessary to help them adhere to "serving the people and socialism." It is necessary to promptly provide them with information in order to help them keep up with the development of the situation ideologically. At the same time, it is necessary to do our best to help cultural workers solve their actual problems in their work and livelihood. We should respect their achievements and create a good working environment for them to enable them to develop their wisdom and talents. Leading cadres at various levels should be intimate friends of cultural workers, constantly exchange thoughts with them, rally the broad masses of cultural workers closely around the party, and organize and mobilize them to provide more and better spiritual products for the people in order to satisfy the people's need in their spiritual and cultural life in an even better way.

Song Ping Attends CPC Exhibition Opening

OW0901073890 Beijing XINHUA Domestic Service
in Chinese 1122 GMT 8 Jan 90

[By reporter Yin Xuecheng (3009 1331 2052)]

[Text] Nanjing, 8 Jan (XINHUA)—The Meiyuan Xincun Memorial Exhibition Hall of the CPC Delegation, situated in eastern Nanjing City, formally opened today.

Song Ping, member of the Standing Committee of the CPC Central Committee Political Bureau, attended the opening ceremony and unveiled the exhibition hall. President Yang Shangkun wrote the name for the hall.

Nos 17, 30, and 35 Meiyuan Xincun used to house the offices of the CPC delegation during the 1946-47 peace talks between the Kuomintang and the CPC in Nanjing. The members of the delegation, led by Comrade Zhou Enlai, worked hard here for 300 days and nights. The Meiyuan Xincun Memorial Hall was built and opened to the public in 1960. On 1 July 1988, construction was started on the Meiyuan Xincun Memorial Exhibition Hall of the CPC Delegation next to the Meiyuan Xincun Memorial Hall.

The exhibition hall was completed last December. On display in the hall are 187 historical and press photos, 67 historical documents, and 34 historical relics.

Rules on Supervision of Foreign Reporters Approved

OW1101162790 Beijing XINHUA in English
1520 GMT 11 Jan 90

[Text] Beijing, January 11 (XINHUA)—The State Council, China's top governing body, examined and

approved in principle a set of regulations on the supervision of foreign journalists and resident foreign news organs at its 53th executive meeting held here this afternoon.

In recent years, the number of resident foreign journalists and those coming here for short-term news coverage, and the number of resident foreign news organs in China have been increasing in the wake of the development of China's reform, opening to the outside world and international exchanges, according to the meeting, chaired by Premier Li Peng.

Participants at the meeting held that it is necessary to formulate the regulations to promote international exchanges and the spread of information, supervise the activities of foreign journalists and resident foreign news organs on Chinese territory and help them carry out their assignments.

The regulations provide that the Chinese Ministry of Foreign Affairs is the competent department to take charge of affairs concerning foreign journalists and resident foreign news organs.

After revision, the regulations will be promulgated and go into effect in the near future.

University Students Receive Military Training

HK0901070790 Beijing RENMIN RIBAO in Chinese
3 Jan 90 p 5

[Article by Sun Zhanxiu (1327 3277 0208): "Doctors, Masters, Bachelors, and Fighters—an Account of the Life of Military Training for University Students Who Have Been Assigned To Work With the PLA General Staff Headquarters"]

[Excerpts] On hearing the sound of whistling, a group of new soldiers lined themselves up immediately. The appearance and bearing of the soldiers were genuinely superb and matchless. However, people may not know that they were actually doctors, masters, and bachelors from various universities. Just 45 days ago, they were a group of young students.

These students were assigned to work in the schools, institutions, and scientific research units subordinate to the Communications Department of the People's Liberation Army (PLA) Headquarters of the General Staff. To enable them to firmly establish an ideological basis of doing everything for the national defense and to realize the change from young students to qualified soldiers as soon as possible, the leading body at a higher level decided that while becoming the cadres of our Army, they must accept military training and lead a hard life in the new soldiers' company like ordinary soldiers. They must accept the training for 1 year in order to increase their ideological level and build up their strength.

1. It was the first time the students had come to the Army company. Everything was new and strange to them.

Moreover, they found many things that they did not understand or were unable to deal with.

On the day of arrival in the training unit, some students went to the country market soon after they got off the trucks without asking for leave.

It was time for dinner. Quite a few students beat their bowls with chopsticks while walking to the canteen, composing "symphonic music" not quite in harmony with military life.

The comrades of the training unit had trained many new soldiers for many years, but never before had they ever trained doctors, masters, and bachelors who had received a higher education and were older than themselves. Together, the cadres and soldiers studied the documents of the higher authorities on military training for university students, analyzed the situation, and put forth a slogan of setting high ideological standards, setting strict demands on training, and caring for each other in daily life.

2. The curtain of strict military training was raised.

The soldiers were asked to do some daily routine work to keep the barracks clean and tidy. Although it was just a simple job of making the bed and cleaning, it was not easy for the newcomers to meet the requirements of the barracks. [passage omitted]

3. To the students who had received a higher education, the exemplary deeds of training cadres were more important than their words.

Lian Shibin, leader of the training unit, had been suffering from hepatitis for more than 1 year and was still taking medicine. However, when the political instructor was away, he had to take up the jobs of two persons. Every morning he got up earlier than the others, and in military training, he did everything the other soldiers did. In the vegetable fields, he worked together with the soldiers; in the canteen, he had the same meal; and on the play ground, he shared the joy with other soldiers in recreational activities... [passage omitted]

4. A squad leader is likened to the mother of an army unit, and the squad leader of new soldiers can usually leave an everlasting impression on the soldiers. Xiao Chen, 19-year-old leader of the fourth squad, joined the Army soon after graduating from middle school. However, the soldiers in his squad were all older than himself. Li Guihong, a master in his squad, was already 32, and the youngest in his squad was 3 years older. At the beginning, some people made fun of him, saying that he should work as an after-school activities counselor for young pioneers.

Before long, the university students began to look at him with new eyes. In light of the fact that the university students had received a higher education and were older than himself, he worked out some new training methods. He was quite sure that better results could be achieved after making some changes in the time for training. A

graduate from Beijing Teachers University said: "Our squad leader really knows some psychology." What moved the university students most was that their squad leader, who might still be a little child before his parents, even came to tuck in their bedclothes at midnight.

5. The Army is a large warm family. In the training unit, the students got a deep understanding of this. [passage omitted]

6. The earnest instructions, the strength of examples, and the pure friendship had moistened the hearts of the soldiers and injected them with vigor for their advances. The intensive training over the past 45 days had greatly increased their ideological level and military quality. They had all passed the examination made by the higher authorities on the subjects for study and training, and more than half of them had done exceedingly well in the examination. [passage omitted]

Economic & Agricultural

Commentator Discusses Economic Situation

OW1201050790 Beijing BAN YUE TAN in Chinese
No 23, 10 Dec 89 pp 4, 5

[Semimonthly commentary by staff commentator: "Have a Correct Understanding of the Current Economic Situation"]

[Text] A very important question at this time in studying and implementing the guidelines laid down at the 5th Plenary Session of the party's 13th Central Committee is how to look at the current economic situation. This is important because we well know the tasks before us: to achieve unity in thinking, strengthen our confidence, and strive to reach the set goal of struggle only when we have a correct understanding of the current economic situation.

How should we understand the current economic situation?

The key to having a correct understanding of the situation is to discard onesidedness and to use the method of one dividing into two.

There are achievements as well as problems and difficulties, hopes and favorable conditions as well as unfavorable conditions in the current economic situation. There are joys as well as worries, advantages as well as disadvantages. It is wrong if we look only at problems and describe the economic situation as a failure because this will cause people to fear difficulties, to become pessimistic, and to attempt nothing and accomplish nothing. It also will be wrong if we look only at achievements and regard the economic situation as so bright as to be unrealistically optimistic and treat things lightly. If one fails to see difficulties, one can hardly understand the necessity, urgency, and protracted nature of improving the economic environment and straightening out the economic order. If one overestimates difficulties, one

may lose one's confidence in surmounting difficulties and achieving fresh successes. Both views are onesided.

In the current difficult economic situation, it is particularly necessary for us to look at all favorable conditions. The process of reform and opening to the outside world over the past 10 years has made it possible for us to greatly increase the strength of our country and to noticeably improve the living standards of the people. Our efforts to improve the economic environment and to straighten out the economic order in the past year have brought down the temperature of the overheated economy and have reduced social demand and the rate of price rises. We have difficulties, but they are much less serious than those encountered in the 1960's and the 10 years of turmoil. The conditions that exist now for surmounting the difficulties are far better than those that existed at that time. Furthermore, we should note that the favorable conditions that exist are essential and decisive, and the unfavorable conditions facing us are temporary and surmountable.

The correct attitude to take when making a comprehensive appraisal of the situation should be based not on the perspective of personal gains or losses, but on the basis of the interests of the whole.

Like the development of other things, socialist construction and reform have their advances and retreats, ups and downs, increases and decreases, and gains and losses. Generally, we should not feel happy when told of advances, feel worried when told of retreats, shout "bravo" when construction projects are started, and call the situation a mess when some projects are suspended.

The economy has been overheated, the scale of construction overextended, the contradiction between supply and demand acute, and the proportion between various economic sectors unbalanced for years now. Because of limited human, material, and financial resources, a number of construction projects have had to and will continue to be stopped or postponed, and some departments and enterprises have had to and will continue to let others have priority in the use of such resources. In such circumstances of economic readjustment, many units and individuals definitely have and will continue to encounter temporary difficulties. This makes it incumbent upon us to proceed from the overall situation and the fundamental interests of the state, and to pay a price by suffering some hardships over the short term. It is only when we can refrain from doing something that we can attempt and accomplish something else. It is only when the overall situation is stabilized that it will be possible for us to protect partial and local interests. When the long-term interests of the state are harmed, the immediate interests of individuals also will suffer.

In our socialist country, overall planning and proper arrangements naturally should be made for enterprises that are to be closed down, have their operations suspended, will be merged with others, or shift to the

production of other goods, as well as for the masses encountering difficulties because of the economic readjustment.

The current economic difficulties have appeared in the period of reform and opening to the outside world and in the period of improving the economic environment and straightening out the economic order. However, these difficulties have not been caused by the policies of reform and opening to the outside nor by the efforts to improve the economic environment and to straighten the economic order.

The current economic difficulties have resulted from years of overspending the national income and from the overheating economy. People were well-intentioned when they hoped for quicker economic development and for extricating themselves from poverty and living a better life at an earlier date. Because of such hopes, however, they failed to take the conditions and capabilities of the country into consideration in their work and forgot the basic principles of doing what one is capable of and living within one's means. This is what is called being overanxious for quick results. The 5th Plenary Session of the party's 13th Central Committee profoundly summed up lessons in this regard and adopted effective measures to guide the national economy onto the path of sustained, stable, and coordinated development.

The current economic difficulties cannot be attributed to the policies of reform and opening to the outside world or to the efforts to improve the economic environment and to straighten out the economic order. The line, principles, and policies the party laid down for reform and opening to the outside world accord with the historical trend and the aspirations of the people and receive their support. So, they are correct and effective. Later, after sizing up the situation, our party laid down the principles for improving the economic environment, straightening out the economic order, and deepening the reform. These principles, which are designed to remove obstacles on the road of advance and to promote reform, also are correct and effective. We must not waver in the least nor hesitate about these principles. We must not return to the beaten track just because we have encountered dangers in the course of reform. China will have no prospects without reform and opening to the outside world. The way for us to extricate ourselves from a difficult position is to improve the economic environment, straighten the economic order, and deepen the reform.

We should have a sound mentality and strengthen our confidence in certain victory in order to extricate ourselves from a difficult position and to get onto the road of sound development.

The decision of the 5th Plenary Session of the party's 13th Central Committee on further improving the economic environment, straightening the economic order, and deepening the reform has pointed out the direction

China must take to extricate itself from its difficult economic position and to get onto a broad road of sound development. This is encouraging. Now the whole nation from the leadership to the masses should strengthen their spirit and have a sound mentality. Communist Party members in general and leading cadres in particular should exert themselves to make progress as this will have a decisive influence on society as a whole and on all people. When we have a sound mentality, high morale, and the spirit of fearing no difficulties, we can turn danger into safety, come out of the woods, and get onto a broad road.

China has 1.1 billion people with as many fervent hearts. How great the strength they will produce when they work together with one heart! The Western economic sanctions cannot intimidate us, the twists and turns occurring in the international communist movement cannot shake us, and the difficulties now facing China cannot stop us. We must make Chinese socialism as firm as a monolith and make it blossom in radiant splendor. We also must successfully carry out the great three-step plan for revitalizing China.

Article Discusses 'Double Retrenchment' Theory

HK1101115590 Hong Kong CHING CHI TAO PAO
in Chinese No 3, 8 Jan 90 pp 10, 11

[Article by Yang Peixin (2799 1014 2450), senior research fellow of the Economic, Technological, and Social Development Research Center under the State Council: "Invigorating the Economy While Upholding the Double Retrenchment Principle"]

[Text] Recently, we participated in several forums for bank and enterprise circles. I would like to deal with the issue of the current economic situation.

1. The current economic situation is one in which a tendency of price stability has surfaced on the one hand, while on the other, a low-rate economic growth has emerged since September 1989, even a negative growth. For example, gross industrial output was -2.1 percent in October, and in November, it increased by only 0.9 percent. The annual industrial growth rate could be between 5 and 6 percent; 20 percent of industrial enterprises at and above town levels (including enterprises under ownership by the whole people and township and town enterprises) have suspended production, with between 2 and 4 percent of the total number of workers and staff members affected, namely between 3 and 4 million.

It was already too late when the problem caught our attention. It has been 4 months since its symptoms began to surface. Whereas back in 1950, when such a problem surfaced in March, it was felt in April, and a conference for directors of industrial and commercial administration was called in May with requirements to readjust industry and commerce proposed.

There are two views concerning the production downturn. One view holds that the economy has started stagnating. Should that be the case, it is imperative to continue to adopt measures to tighten the money supply and halt inflation. Another view holds that the economic recession took place in the wake of tightening the money supply. Therefore, the way of curing it should not be turning off the tap, but consolidating price stability while invigorating the market, the enterprise and the economy.

There is a rather delicate condition, namely, the stock has grown in industrial enterprises as well as commercial and material and equipment departments, with an increase in terms of 100 billion yuan over the same period of 1988, whereas value-preserving savings have also increased by 100 billion yuan in the same period. That means people have stopped purchasing. When people stop buying light and textile industrial products, it is impossible for these industries to purchase raw materials and industrial products. Hence an overstocking of goods in chain reaction.

Why did citizens stop purchasing? A poll in Shanghai gives the following answer: The citizens have a premonition that great difficulties will surface in the next 2 years or so, and there is a need to make some preparations now, and to keep from buying things as best they can to save some money for rainy days. I am afraid that there is some truth in it.

2. Why has industrial production gone downhill? The "Decision" said that: "We should refrain from being overanxious for quick results in improving the economic environment and rectifying the economic order." This is enlightening for us. The enterprise circles hold the view that the speed for tightening money supply has been rather fast, with the scope involved too extensive, and the volume too large. Now we have an increasingly clearer picture that banking has played an important role in macroscopic regulation. In 1988, the volume of money supply was approximately 70 billion yuan; toward year-end 1989, another 40 billion was put in for the Spring Festival season, and the total was 110 billion yuan. In our understanding at that time, for China to grasp macroeconomy, the most important thing was control over banknotes. From our view today, that was correct because when there is the purchase to make, the citizen draws money from his account in the bank, and converts the money into realistic purchasing power. The problem today is excessive control over banknotes. Ever since the 1989 Spring Festival, it was withdrawing surplus paper money, the volume withdrawn was 1.5 billion yuan between January and October (but in the past, it was supplying money all through that period.) It was not until November that it was changed into a money supply with a volume of 3.5 billion yuan. The annual volume of the money supply was 20 billion yuan in 1989. There was a drastic cut in cash spendings in procuring products from 1988, while the state got a far greater volume of revenues in cash from marketing agricultural production materials; therefore, the volume of banknotes in rural areas was markedly cut. In a survey of the Ministry of

Agriculture, peasants' actual income dropped by 10 percent. We thought that in the 1989 procurement, Hubei, Hunan and Jiangxi did not issue government IOUs, but when we went down there to see how things went, at least one-third of the procurement was paid in savings certificates, which cannot be used to purchase consumer goods and production materials. The peasants had great complaints against such measure. Some north-eastern provinces have to date failed to find funds to procure farm and sideline produce. Inner Mongolia and Xinjiang have no cash to procure wool. The herders said: If you fail to procure wool, we will slaughter our sheep. Sugar refinery works in the south have no cash to procure sugarcane, while the those in the north have no cash to procure beetroots.

Since 1989, we have had the idea that rectification of inflation rests mainly on issuing less banknotes or halting issuance of banknotes. Until recently, we decided that the index of currency for payment of goods be increased from 160 billion yuan to 180 billion yuan, and that the amount of currency released for circulation is roughly 40 billion yuan. When the peasants' grains, cotton, oil, fruits, aquatic products, wool and sugar cannot be sold, they will have no money to buy industrial products, then industrial products cannot be sold. To change this situation, the key point for banks to grant loans should rest on supporting procurement of agricultural products. The banks might consider the following: Procurement funds for grains, cotton and oil are free from index restrictions; granting of loans alongside reporting of such loans to the senior levels; and purchasing whatever is the quantity. Regarding the cash crops such as sugarcane, beetroots and wool, the same measure can be adopted; that is, granting of loans alongside reporting of such loans to the senior levels. This is because there will still be shortages of these cash crops in the next few years.

Third, it comes to the principle in the future. Some people said that we should not advocate the "double retrenchment" policy from now on. I think that we should continue advocating the "double retrenchment" policy. It is because when the purchasing power of the social groups is expanding, it is right for the financial departments to exercise monopoly and control, and we must continue to uphold this point. In the past few years, the increases in financial income were not a small amount, but they were not used in the key construction projects. Each year, investment in key construction projects was only 30 billion yuan, and the money earned from increases in financial income were spent in foods and drinks.

The banks should continue to tighten the loans made to those enterprises with poor returns. The increase of loans must depends on the increase of savings, not on issuance of banknotes. We must continue the double retrenchment policy. In December 1989, we had to release loans amounting to 100 billion yuan, but we should never resort to a sudden release of loans as we did in 1984.

At present, we must uphold the double retrenchment policy on the one hand, and invigorate the market, the enterprises and the economy on the other. In 1989, we made five loans to enterprises for them to open businesses, but the businesses were opened for a while and stopped, just like a cardiac pacemaker; when it stops the heart stops. The triangular debt is becoming bigger; it is not a small triangle, but a big one: The financial department owes key construction projects an amount of investment, the financial department owes the repayment of debt resulting from loses in foreign trade, and the bank owes the financial department an amount of money; it becomes a triangular debt at the macrolevel, and is difficult to be tackled.

Now, from which link should we start invigorating enterprises? After discussion, we all think that we should start from procurement of agricultural products. It is because shortage of funds for procuring agricultural products and slow processing procedure will freeze the purchasing power of the peasants, who will then have no money to buy industrial products.

Of course, here we do not mean to increase the procurement prices, nor to procure whatever is out there. The quality and quantity should be ensured, and those that should be procured must be procured. If the work in procurement in 1989 cannot be done well, it will have an adverse effect on the sales of industrial products, as well as on the peasants' eagerness and the situation of agricultural production in 1990.

In addition, a reservoir must be built for commerce and materials, to prevent inflation from occurring again, and to enhance rural-urban exchanges. Judging from the current situation, the state-run businesses have a responsibility to play a key role in regulating social production.

The staff in the government organs and schools did not have wage adjustment in the past few years, and their actual incomes decreased by 30 percent. The incomes earned by enterprise workers also decreased, even though the decrease was smaller. Pay raises for department personnel and business personnel should be considered with the distribution of yearend bonuses contracted between enterprises and their personnel.

At present, the overstocking of electrical and mechanical products is very serious, and the stock has increased by 61.4 percent, hitting 22.24 billion yuan, which plus the 5.9 billion yuan added by the departments of metallurgical industry and the departments of chemical industry amounts to 32.1 billion yuan. These products belong to the first category, and are means for living. Now, more than half of Guangdong's cement plants have collapsed, and the reason is reduction of capital construction. Judging from the current situation, when reducing the investment in fixed assets, investment in some assets should be protected while investment in other assets should be reduced. Investment in buildings, houses, and the excessive processing businesses must be reduced;

investment in energy, communication, and raw materials industry must be protected. Now is the time to encourage enterprises to expand reproduction, to practice technological reform, to expand and improve facilities, and to build new factories. The Beijing Iron and Steel Works is planning to build in Shandong the Qilu Iron and Steel Works capable of a yearly output of 10 million tons. The project is invested in by the Beijing Iron and Steel Works, which contributes 50 percent, while Shandong, Shanghai and other places contribute the other 50 percent. The state leaders are very interested in the project. This is a good news to the electrical, mechanical, and metallurgical businesses.

Not only did the capital construction front needed adjustment, the production front also needed adjustment. Now, the false purchasing power has disappeared, along with the false prosperity. How many color television sets and refrigerators do we need? Now, can we hold a meeting of experts to mobilize the whole society to study each product and make estimates, as we did in the 1950's? Some enterprises can become a member of enterprise groups, so as not to waste their productive forces. Judging from the current situation, the experience in adjusting industrial and commercial businesses in the 1950's does, in many aspects, have a practical meaning.

Li Guixian Speaks on Banking Situation

Views Capital Efficiency

OW1201132790 Beijing XINHUA in English
1254 GMT 12 Jan 90

[Text] Beijing, January 12 (XINHUA)—The year 1990 will be of crucial importance to China's economic reform and the stabilizing of banking is a key factor in the development of the national economy, governor of China's central bank Li Guixian said here today.

This year China's banking circles should concentrate on raising the efficiency of capital while continuing the policy of tightening money supply and scaling down credit loans, Li told a national conference on banking.

Li is a state councillor and concurrently governor of the People's Bank of China (PBC). He said that China will further improve the structure of credit loans and speed up the circulation of funds this year.

Attending the conference are nearly 900 officials from the nation's seven major banking institutions and their local branches, including the PBC, the Industrial and Commercial Bank, the Agricultural bank, the Bank of China and the People's Construction Bank.

The industry is still facing severe problems, Li said.

On the one hand, many enterprises are suffering from low economic efficiency and posing strong demands for loans from banks. On the other hand, the capital resources of banks will most probably shrink to some extent.

Moreover, multilateral defaulting in payments among enterprises has greatly lowered the efficiency of capital.

The macroscopic control over credit loans should be improved and strengthened, Li said. The PBC, as the central banking institution, will exert more influence this year while the specialized banks must conform to the quota of loans decided by the PBC.

Li said that this year priority with respect to loans will be given to basic sectors of the national economy such as agriculture, energy, transportation and raw materials.

More funds will be provided to aid the development of large and medium-sized enterprises, construction of major projects in the state plan and purchase of agricultural products and export goods, Li said.

He disclosed that China will promote the use of business bills, increase the proportion of discount and rediscount and decrease credit loans gradually.

The governor also urged that the scale of foreign debts should be strictly put under state control. Borrowing foreign funds without the approval of authorized departments is prohibited, he said.

Meanwhile, China will pay all foreign debts and interest in time, Li reiterated, adding that the Chinese banks will directly deduct payments with the approval of the State Administration of Exchange Control from the accounts of those who do not repay in time.

Views 'Favorable Rebound'

OW1201135190 Beijing XINHUA in English
1313 GMT 12 Jan 90

[Text] Beijing, January 12 (XINHUA)—China's banking situation is showing a favorable rebound thanks to the state's austerity program, a senior finance official said today.

The scale of credit loans has been brought under control, said Li Guixian, state councillor and concurrently governor of the People's Bank of China (PBC).

The central bank only issued 21 billion yuan-worth of paper money last year, Li said. That was 19 billion yuan less than the amount in the state plan.

By the end of 1989 the total amount of currency was 234.4 billion yuan, 9.8 percent more than in the previous year.

Meanwhile, private deposits in banks were up 133.4 billion yuan, the biggest jump in history.

The structure of credit loans has also been improved in line with the state's industrial policy, Li said. Special

funds have been appropriated to aid the development of the state's major projects and industries.

Furthermore, Chinese banking institutions have played an important role in promoting exports and restricting imports. The export income in foreign currency has surpassed the amount in the state plan.

However, Li said, a more flexible system is needed to monitor credit loans.

Article Views Absorption of Foreign Funds

HK1101075790 Beijing RENMIN RIBAO in Chinese
7 Jan 90 p 5

[Article by Huang Shuhe (7806 3219 0735): "Enthusiastically Do a Good Job in Absorbing Investments by Foreign Businessmen"]

[Text] Absorbing investments by foreign businessmen constitutes an important aspect in opening our country to the outside world. At present, China has developed a multi-level, selective pattern of opening to the outside world involving special economic zones, open coastal cities, and open coastal economic zones and hinterland, which provides foreign businessmen with an extensive and relatively ideal environment. Our country has formulated over 200 policy documents and other economic laws and regulations involving foreign countries, aimed at encouraging and protecting foreign investments, and signed investment protection agreements with 24 countries. Over the past 10 years we have scored marked successes in absorbing foreign funds. To date, a total of over 20,000 foreign-funded enterprises have been approved in the country as a whole. Last year, over 4,000 foreign-funded enterprises were approved. The investment fields extend from light industry, textiles, and tourism to metallurgy, machinery, electronics, energy, communications, chemical industry, post and telecommunications, building materials, and other trades and professions. The pattern of foreign investment has also markedly improved, the quality and standard of projects have improved to some extent, the proportion of productive enterprises accounts for 85 percent, and the proportion of advanced technology and export-oriented enterprises has also increased annually.

In recent years the currencies of some developed countries and regions have appreciated and their foreign exchange reserves have increased substantially. This has forced them to readjust their production structure and intensify capital export. This is an excellent opportunity to absorb foreign funds. Many countries are adopting effective measures to accelerate the pace of absorbing foreign funds.

The situations in some Southeast Asian countries are quite spectacular. In 1986 Thailand absorbed \$450 million in foreign funds. This drastically increased to \$1 billion in 1987 and the development momentum was still strong in 1988 and 1989. In 1988, Singapore's

manufacturing industry absorbed over 2 billion Singapore dollars (equal to \$1 billion) in foreign funds. After Malaysia considerably relaxed restrictions over foreign funds and made great efforts to improve its investment environment in 1986, Japan's business circles quickly set off a new wave of investment there. At present, even the economically quite developed countries attach great importance to absorbing foreign funds.

We must be soberly aware that international competition is acute and that the opportunity is transient. We must have a sense of urgency and on no account should we let a golden opportunity slip by.

The prospects are broad for China to absorb foreign investments. Whether or not we can further accelerate the pace of absorbing foreign funds depends, to a large extent, on whether or not we can bring into full play our advantages, speedily remove the shortcomings in our work, make the best possible use of favorable conditions and avoid the effects of unfavorable ones, quietly immerse ourselves in work, and do our work in a down-to-earth way in order to create a very appealing investment environment for foreign funds. At present, we should pay attention to the following issues:

- Make further efforts to strengthen confidence in doing a good job in absorbing foreign investment. Although the work to absorb foreign funds is more difficult now, we should firmly believe that if we conscientiously do our work well, the adverse effect will only be temporary, will soon disappear, and the situation will improve quickly.
- Vigorously step up propaganda among foreign countries. Through various channels, with specific aims in mind and in line with the habits and methods of investing countries, we should propagate our country's principle, policy, and situation of opening up to the outside world and absorbing foreign funds. We should use various facts to show the international community that we unswervingly implement the policy of opening to the outside world and absorbing foreign funds, to remove as much as possible the misgivings of foreign businessmen.
- Strive to run existing foreign-funded enterprises properly. We should be determined to help them solve problems and run properly, one by one. This will exert a good influence in strengthening the investment confidence of foreign businessmen, attracting more foreign businessmen to make investments, and further build up China's good image abroad.
- Strictly grasp foreign investment direction. In the past, few foreign businessmen invested in energy, communications, raw materials, or high-tech projects, which should be given top priority in the national economy. They usually invested in ordinary processing industries and duplicated construction projects. Future projects should be examined and approved in strict accordance with the state's industrial policy and regulations for guiding foreign investment direction. It is necessary to conscientiously screen and optimize these

projects, and improve their quality and standards in order to rationalize the investment direction.

—Continuously pay close attention to improving the investment environment. While focusing our attention on improving the tangible condition of investment, we should put in more time and effort on improving the intangible investment condition. We should make further efforts to improve the relevant laws and regulations on foreign investments; resolutely amend the regulations of localities and departments which are out of keeping with state laws and regulations, implement all policies to the letter, and preserve the stability, continuity, and inviolability of policies; strictly fulfill contracts signed between China and foreign countries, conscientiously guarantee the legitimate interests of both parties, and further raise the efficiency of handling official business in order to provide foreign-funded enterprises with good services; and step up the building of cadres handling foreign investments and constantly improve their professional quality and work level.

Naturally, it is insufficient to have only a good "minor climate" of investments. It is also especially necessary to have a "major climate" of investments characterized by long-term political stability and stability and unity of the society. Our cause of absorbing foreign funds is just unfolding. We must resolutely and with a clear-cut stand safeguard the excellent political stability and unity which is hard to come by and, while upholding the four cardinal principles, boldly and energetically launch the work of absorbing foreign funds. We must strive to realize the objective of causing an economic takeoff and rejuvenating the Chinese nation.

Foreign Investors Pay for Land-Use Rights

HK1201020090 Beijing CHINA DAILY in English
11 Jan 90 p 1

[By staff reporter Liang Chao]

[Text] China has transferred the rental of 42 tracts of land covering 592 hectares to enterprises run by investors from abroad or various joint ventures in parts of its coastal regions.

A top official from the State Land Administration (SLA) disclosed that the country has gained more than 420 million yuan in rent from the land by transferring their use right.

Wang Xinjin, minister of the SLA established just four years ago, said, "The practice of separating the ownership and use of land is one of the significant aspects of the land use reform."

According to Wang, the test of the transfer of the nation's land-use rights has already been conducted in China's nine coastal provinces and cities since it was initially tried in Shanghai, Shenzhen, Fuzhou and Xiamen.

The land, transferred to the enterprises of solely foreign-funded companies, joint ventures and equity ventures, represented more than 30 percent of China's total transferred land in the coastal open regions, Wang said.

By the end of last October, a total of 121 tracts of land or land-use rights covering more than 670 hectares of land were transferred, the latest statistics released by the SLA showed.

This resulted in a total of 740 million yuan of income paid by land users as transfer rents, Wang said.

It was learned that the rent was about 25 percent of the total income the State gained through land use fees in 1989.

Wang said the reform of land-use rights will help in tapping the potential of land's social and economic value through controlling China's general supply and demand of land.

It also made it possible for the State to redistribute or replan its land resources within certain periods because the country has the right to take over the land at certain times, Wang said.

Meanwhile, the actual free use and occupation of land by farmers and cadres for private housing will be over soon as the reform of land use has been extended into the more rural areas.

Policy on Individual Businesses Unchanged

OW1201005790 Beijing XINHUA Domestic Service
in Chinese 0010 GMT 11 Jan 90

[Text] Beijing, 11 Jan (XINHUA)—This year's first issue of BAN YUE TAN publishes an article by Hua Nong entitled: "Individual Businesses, Do Not Believe in Rumors," and another article by Qu Jianmin of the Individual Businesses Department of the State Industry and Commerce Bureau entitled: "Do Not Look Down Upon Individual Businesses." The articles have clarified some rumors regarding the policy on the individual economy as well as all sorts of gossip in society concerning individual entities.

Hua Nong's article says: The following rumor has been circulating lately in some localities. A central leader has said that the authorities will begin giving individual businesses a hard time and make them go bankrupt. This is a misunderstanding, a rumor. The truth is that at a meeting of representatives of the National Meeting on the Comprehensive Development of Agriculture in early December of last year, a central leader spoke on the policy on the individual economy. He said: Individual businesses are a component of the multi-sector economy and represent a supplement to the public-owned economy. This has not changed. A rumor quotes me as saying that I want to see individual businesses go bankrupt. In fact, I was referring only to illegal individual businesses, especially those deeply involved in illegal activities. Half of the individual businesses on a certain

street in a certain city are 10,000-yuan households, many of which are run by ex-convicts or those formerly reeducated through labor. We reformers follow a proletarian policy of giving them an opportunity to earn a living. Our party has always welcomed them to reform themselves, earn their own living, and become new men. But they must not commit crime again. How could we allow them to commit frauds, monopolize the market, jack up prices, and engage in speculation and profiteering? When officials of relevant departments go to collect taxes from them, some individual businesses employ both hard and soft tactics. They first try the soft tactics by offering bribes to the officials, and, if this does not work, they use hard tactics. What are these hard tactics? They threaten to kill. Who dares to collect taxes from desperados waving a knife in your face? I said that we should let these kind of people go bankrupt. They are first and foremost criminals; we would welcome them if they would earn their own living. We also would welcome them to make a reasonable profit. They are allowed to get rich ahead of others through honest work. This policy has never changed. But they should not be allowed to get rich through dishonest practices. This does not mean that we want to eliminate the individual economy; we have no such intentions. I did not say that individual businesses should go bankrupt even if they commit slight offenses. If they pay their overdue taxes, everything will be fine. Ill-gotten incomes are not allowed. Our policy toward law-abiding private enterprises and individual businesses has not changed.

Another central leader also said: We must not fail to recognize the role of township and village enterprises and rural individual businesses. Small businessmen and peddlers have made considerable contributions to enlivening the market. Therefore, I would like to repeat what has been said many times: First, legitimate operations must be protected. Second, illegal operations must be restricted or banned. They must pay tax according to law. We must recognize that wholesale and retailing are kinds of work that involve great efforts. They have an indispensable role to play.

It is not difficult to see from the two central leaders' remarks that the Central Committee's policy toward individual businesses has not changed. The state will protect them as long as they abide and do not violate the law. Law-abiding, legitimate individual businesses have nothing to worry about.

Qu Jianmin's article says: "All individual businesses have made a pile. To solve the problem of unequal distribution, it is necessary to make an example of them." This is a biased statement. There were 13 million individual businesses nationwide employing 24 million people by the end of 1988. First of all, 75 percent of the people engaged in individual industrial and commercial entities are in the countryside. Some rural areas in China are relatively developed in terms of the commodity economy while others are still quite poor. As for rural individual industrial and commercial entities, those which started early may already have become quite

well-off, while the late starters are only now able to make ends meet. Wide gaps in income exist from area to area in cities and from trade to trade. Some individual trade, catering, manufacturing, construction, and transportation businesses in busy downtown areas indeed have made a fortune, while those individual repair service businesses in remote areas may not have made a lot of money. It cannot be denied that some individual businesses indeed got rich by evading taxes or even by engaging in speculation and profiteering. These people, however, account for only a small percentage of individual businesses.

"A decent man will not engage in individual business." This is also a biased, unfounded statement. In China, most of the people engaged in individual businesses are in the countryside, and many of them are quite competent. Among those individual business operators in cities, approximately 31 percent are youths formerly awaiting work or retired workers and another approximately 50 percent are other formerly unemployed workers. In terms of the political background of those engaged in individual business, 210,000 are party members, 340,000 are Chinese Youth League members, and many are people's deputies, deputies of the Chinese People's Political Consultative Conference, and model workers. Ex-convicts (those who underwent reform or education through labor) account for less than 1 percent and the overwhelming majority of them have been good. In view of this, although the background of the ranks of individual business operators is relatively complex and a few lawbreakers indeed exist, they are, by and large, working people who constitute part of the large contingent of socialist workers. It would be unfair to regard individual businesses as a cesspool of iniquity in society.

Some Goods Exempt From Trade Inspection

OW1201112590 Beijing XINHUA in English
1617 GMT 11 Jan 90

[Text] Beijing, January 11 (XINHUA)—As a measure to improve the performance of its import and export firms, China issued a new document here today exempting some goods from trade inspection.

Zhu Zhenyuan, director of the State Administration for the Inspection of Import and Export Commodities, told the press corps here that firms who are given or stripped of the privilege will be publicized after the new method is put into force, beginning the first day of April this year.

According to the method, still on trial implementation, exemption may be granted for all import and export commodities of which inspections are required if their sellers and buyers file applications and get approval from the state trade inspection authorities.

The privilege is open to all goods that boast one of the following qualifications, namely international quality award within 3 years, lasting quality performance accredited by underwriters or inspectors, and ex-factory,

inspection and customer quality ratings as high as 100 percent for 3 consecutive years.

However, the new method stipulates, commodities that involve safety, health, and other special requirements do not qualify for such exemptions.

Applications are to be handled by groups of experts appointed by the state inspection authorities to sample the commodities and issue laissez-passers, which are usually valid for 2 years.

Those who have gained such approval must report to the state inspection authorities about the quality performance of their products every 6 months and cannot change the products' functions and technology while the exemptions are still effective.

Those who want to extend such exemptions must apply 4 months before the expiration date to the state inspection authorities.

Accredited inspectors may sample goods already exempted and stop their passage through customs if quality problems are found. The state inspection authorities have the right to rescind the privilege from goods which are found to be unqualified.

Trade Commodity Reinspection Rules Updated

*OW1201112390 Beijing XINHUA in English
1601 GMT 11 Jan 90*

[Text] Beijing, January 11 (XINHUA)—China issued here today new rules for the reinspection of import and export goods, granting trading firms the right to challenge or even possibly override the original verdict.

The 12-article rules for trial implementation were drafted by the State Administration for the Inspection of Import and Export Commodities and put into force today.

Zhu Zhenyuan, director of the administration, told a news briefing that the new rules are aimed at building a self-control mechanism within inspection organizations, protecting the lawful rights of Chinese and foreign trading firms and enhancing China's reputation in world markets.

According to the document, firms which object to the results of inspection of their import or export commodities can apply for reinspection to the original inspector, his superior, or the state inspection authorities.

Applications for reinspection must be filed within 15 days after the original results are received, while reinspections must be done by specially appointed professional groups, which should complete the job independently and deliver a certificate within 30 days after the applications are accepted.

If an applicant is still not satisfied with the results of a reinspection he can appeal for another reinspection to the state inspection authorities, which are expected to return final verdicts.

Costs are to be paid by the applicants, except in cases in which the original inspectors are found to be at fault.

New Regulations for Product Imports, Exports

*HK1201050490 Beijing CHINA DAILY in English
12 Jan 90 p 2*

[By staff reporter Qu Yingpu]

[Text] Starting on April 1, Chinese and foreign traders can apply to import and export their products without a commodity inspection, according to a new set of regulations announced in Beijing yesterday.

The regulations are designed to promote efficiency and the quality of China's foreign trade, said Zhu Zhenyuan, director general of the State Administration of Import and Export Commodity Inspection, at a news conference yesterday.

Under the regulation, Chinese and foreign products which got international quality awards less than three years ago will be exempted from inspection.

Foreign and domestic products that Chinese inspectors have found to be stable in quality and that have quality licenses from an international institution recognized by China will also be exempted.

Foreign products that Chinese inspectors find have not had quality problems for three years and that enjoy a good reputation among Chinese consumers can be exempted from inspection.

The same goes for Chinese products.

The exemption list also includes non-trade items, products meant for exhibitions, product samples and gifts.

Those items with special security and hygiene requirements cannot apply to be exempted from inspection.

Exemption certificates will be granted to those foreign and domestic applicants after investigation by special committees. Exemption certificates will be valid for two years and applicants can ask for new certificates four months before the old ones are outdated.

Another set of regulations Zhu announced at the news conference, which was put into effect yesterday, grants Chinese and foreign traders the right to refute commodity inspection results and ask for re-examination.

The director general said that his inspection administration is planning to draft another 20 sets of regulations this year as supplementary measures to the law of import and export commodity inspection, which went into effect last August.

Zhu said Chinese inspectors found more than 30,000 lots of export items worth more than \$700 million to have quality problems last year. These products were sent back to the producers, he said.

More than 15,000 lots of foreign products worth \$5.4 billion were also found to have quality problems last year.

Altogether 1 million lots of foreign trade items were inspected last year by Zhu's administration and its branches, or by institutions under the supervision of the administration. Those items with a total value of \$47.9 billion accounted for 63 percent of the country's total trade items.

Zhu said the quality of imported items was found to be on the rise last year. Compared with 1988, 2.1 percent more of the items passed inspection.

Among the imported items, the quality of machinery and equipment, electric home appliances, raw iron, wood, plywood, farming chemicals and paper was improved. But quality problems with cotton, coal, fertilizer and raw materials for the chemical industry were still very serious.

Health Spokesman Speaks on Cosmetics Licensing

HK1201021590 Beijing CHINA DAILY in English
11 Jan 90 p 3

[By staff reporter Zhu Baoxia]

[Text] Cosmetics producers are required to apply for production licences from local health departments before the end of April. Any production without permission will be firmly banned starting in October.

Kan Xuegui from the Hygiene Supervision Department of the Ministry of Public Health made this announcement at a news conference on the granting of a production and sale licence to 101 Hair Regenerating Essence.

The 101 Hair Regenerating Essence Factory is one of the special-use cosmetics makers that has acquired State permission for production, in line with the State's cosmetics hygiene supervision principles approved by the State Council last year.

The principles have come into effect this year.

The ministry organizes experts to inspect the products to ensure that they are safe to use.

According to Kan, enterprises engaged in production of special-use cosmetics, such as hair dye and breast beautifiers, must complete their application for a licence this year.

Also as of January 1, cosmetics importers must submit samples to the Ministry of Public Health and go through State inspections before signing contracts.

However, cosmetics imported last year or those with importing agreements signed before January 1 may continue to be marketed in the country until the end of the year.

The ministry official said that safety is one of the basic requirements for the production of cosmetics, so enterprises must study and conscientiously implement the State principles for the field and continuously improve their production sanitation conditions.

Meanwhile, he said, the public should show concern over these issues.

Statistics last year revealed that there are more than 2,000 factories producing cosmetics, run by the State, connectives, townships and individuals.

Some of the enterprises were found to lack adequate equipment and technical personnel.

Some have been found to be marketing medicines as cosmetics in order to avoid the strict State supervision over drugs stipulated in the Pharmaceutical Administration Principles.

And the ministry has received numerous complaints about cosmetics inflicting physical injury and emotional trauma on their users during the past several years.

Energy Minister Urges Boost in Power Output

HK1001073090 Beijing CHINA DAILY in English
8 Jan 90 p 1

[By staff reporter Li Hong]

[Text] Huang Yicheng, minister of energy, has called upon China's more than 10 million energy workers to "go all out" in boosting the country's power output, so as to ensure a steady economic development in the new decade.

Concrete development goals and strategy of the energy industry have been revealed at the National Energy Conference now going on in Beijing.

According to the new plan, this year China will produce 1.06 billion tons of coal, 138.5 million tons of crude oil, 14.5 billion cubic metres of natural gas, and 605 billion kilowatt-hours of electricity.

By the year 2000, China's total "primary" energy output will have to equal to 1.43 billion tons of standard coal, which includes 1.4 billion tons of raw coal, 200 million tons of crude oil, 30 billion cubic metres of natural gas, 90 million tons of coal equivalent of hydropower, and 12 million tons of coal equivalent of nuclear power.

Also the country will have to generate 1.2 trillion kilowatt-hours of electricity at that time, with 930 billion KWH of thermal power, 240 billion KWH of hydropower and 30 billion KWH of nuclear power.

"And the above energy development goal is mapped out to ensure a 6 percent overall growth rate of national economy—with an industrial growth rate of 6.5 percent, and agricultural rate of 3.5 percent," Wang Wenzhe, spokesman of the Ministry of Energy, told reporters yesterday at a news conference.

Specific development strategies, policies and measures have been also unveiled to the annual working conference.

First of all, a rational ratio between energy and the overall economic growth will have to be carefully watched, otherwise the position of "bottleneck" energy industry will surely cripple the normal growth of other sectors, the Minister said.

Secondly, the energy industry will be developed with electricity as its centre and coal as its base, together with the exploitation of petroleum and natural gas, hydropower and nuclear power, as well as expedition [as published] of rural electrification and energy supply.

Thirdly, investments will have to be markedly increased. The Minister has asked the State to earmark from its budget at least 3 billion yuan to coal exploitation, and 12 billion yuan to new electricity resources every year.

And money will have to be raised locally and collectively.

Huang also demanded that coal construction funding and energy exploitation funding be set up, and electricity and oil funding be improved. Furthermore, the petroleum, natural gas and coal enterprises will be encouraged to attract foreign capital, and foreign currency income obtained from export will have to go back to those enterprises for the repayment of their foreign loans.

Fourthly, the set principle of "laying equal stress on both conservation and the exploitation of energy resources" will not change.

Fifthly, the present unreasonable price system of energy will have to be gradually rationalized in the next three years of economic rectification and righting, thus reversing many enterprises currently running in the red.

Sixthly, the Minister demanded all enterprises involved in the production of energy depend on modern technology, promote the efficiency of energy production and utilization, and bring about a dramatic improvement in urban atmospheric pollution due to the burning of large amounts of coal and the vicious ecological circle caused by excessive consumption of biomass energy in rural areas.

And last but not least, Chinese energy departments should better cooperate with their foreign counterparts and learn advanced techniques.

State Council Buys Rice From Grain Provinces

OW1201023490 Beijing XINHUA Domestic Service
in Chinese 0003 GMT 11 Jan 90

[By reporter Liu Xiaoning (0491 1420 1337)]

[Text] Nanchang, 11 Jan (XINHUA)—In an effort to ease the pressure on major grain producing provinces for both funds and storage space, the State Council has decided to purchase a large quantity of rice from Jiangxi, Anhui, Hunan, Hubei, and Jiangsu.

This was learned during a spot purchase of grain at negotiated prices in Nanchang, which was authorized by the State Council. The China Grain Trading Company of the Ministry of Commerce, at the request of the State Council, was to buy 900 million kg of rice at negotiated prices from the aforementioned five provinces before the Spring Festival. The State Council also asked the various localities to do a calculated analysis of the present state of grain, take steps to overcome the shortage of funds and storage space, make the best of the bumper harvest of grain, and buy as much rice as they can before and after the Spring Festival, so as to fulfill the Ministry of Commerce's plan to purchase an extra amount of grain at negotiated prices.

Experts Propose Improvements in Yangtze Navigation

HK1201021090 Beijing CHINA DAILY in English
11 Jan 90 p 3

[By staff reporter Gao Jinan]

[Text] Water transportation experts have proposed a 10-year plan to the country's decision makers for exploiting the navigation potential of the Yangtze River, the longest in China.

Currently, only about 10 percent of the river's capacity for navigation is used.

In a proposal to the State Council, the experts suggested the plan be approved and investment be made in constructing facilities on the river and its branches.

Construction and utilization of the inland waterways could greatly ease the burden on the national railways and benefit the national economic development, they said.

Waterway construction is much cheaper than railway building, by as much as half, they said.

The 6,300-kilometre river and its branches, flowing through 10 provinces and Shanghai, have 79,000 kilometres of waterway routes, about 70 percent of country's total.

But about 60 percent are substandard waterways and can be navigated only by ships under 100 tons.

It is estimated that 913 million tons of freight will be shipped on the river by the year 2000. Last year, about 500 million tons of freight were transported on the river.

The experts, based on this estimate, proposed a sea-river water transportation network including waterways which can accommodate the navigation of 10,000-ton ships.

They suggested that 11,300 kilometres of waterways be constructed or renovated and more than 90 ship locks be built, allowing 25,000-ton ship to get to Nanjing, 5,000-ton ships to Wuhan and 3,000-ton ship to Yichang.

The experts, from the Chinese Institute of Navigation, the Ministry of Communications and the Yangtze Transport Bureau, said that 3,000 docks should be built to achieve the goal.

Navigation facility construction on the Hanjiang and Xiangjiang rivers, two main tributaries, would be the main task of the plan, they said.

If the waterway dredging work is done, coal from Shanxi and Shaanxi provinces could easily be shipped to the southern provinces via Hanjiang and Xiangjiang, where coal and energy have been in short supply.

About 20 billion yuan (\$4.24 billion) is needed for the completion of the entire project, they estimated.

Along with State investment, the experts said, local funds and foreign loans could also be used for the construction.

The experts further proposed a national inland water transportation network, linking the Yangtze River with

other main rivers, such as the Yellow, Huaihe, Qiantangjiang and Zhujiang rivers. But several canals would need to be dug and this might take several decades to complete, they said.

Meeting Urges Steady Growth of Animal Husbandry

*OW1201113590 Beijing XINHUA in English
1543 GMT 11 Jan 90*

[Text] Changchun, January 11 (XINHUA)—At a recent national meeting here experts in animal husbandry said that by the end of the century, China's annual meat output should reach 33-34 million tons, output of eggs and fowls, 14-15 million tons, and that of milk, 10-12 million tons.

The meeting called for stabilizing and continuing the existing basic economic policies on animal husbandry. The main points are as follows:

- allowing producers to be involved in the marketing of their products under the guidance of the planned economy;
- maintaining the household contract system in management of both animals and grasslands;
- allowing some peasants and herdsmen to get prosperous first while advocating common prosperity;
- stabilizing, adjusting, and optimizing the structure of animal husbandry; and
- maintaining the state and local policies of encouraging and giving preferential treatment to the development of animal husbandry.

East Region**Anhui's Lu Rongjing Inspects PLA Reserve Unit***OW1001061190 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 3 Jan 90*

[From the "Provincial Hookup" program]

[Text] Leading comrades of the Anhui Provincial CPC Committee inspected a reserve division in Anhui on the eve of New Year's Day. They included Lu Rongjing, secretary of the provincial CPC committee, and Meng Fulin, deputy secretary of the provincial CPC committee. They commended the division for the achievements made since it was organized, called on it to take the stabilization of the overall situation [wen ding da ju] as its central task, and do military work well in the interest of economic construction.

Comrade Lu Rongjing pointed out: To organize reserve units is an important strategic plan of the state to strengthen the reserve force. The reserve units are a crack force of the People's Liberation Army [PLA], and to build up this force well is of great strategic significance.

He said: Your leading group is good, and so is its work. The leading cadres have made remarkable achievements in leading officers and men of the division in doing arduous pioneering work. In the course of stopping the turmoil and quelling the counterrevolutionary rebellion in Beijing in late spring and early summer last year, PLA units were up to the standards, and so was this reserve division. At present, it is necessary to seriously implement the guidelines of the 4th and 5th Plenary Sessions of the 13th CPC Central Committee and the guidelines of the enlarged meeting of the Central Military Commission. It is also necessary to uphold a high degree of stability and a high degree of centralism and unity among PLA units, to heighten vigilance, to take the stabilization of the overall situation as the central task, and to do military work well in the interest of economic construction.

Comrade Lu Rongjing said: At present, this division still has difficulties. The provincial authorities will do all they can financially to build it well.

Responsible persons of the Chuxian Prefectural CPC Committee and the prefectural commissioner's office accompanied Lu Rongjing and other leaders during the inspection.

Governor Says Fujian To 'Improve' Opening Policy*OW0701165190 Beijing XINHUA in English
1539 GMT 7 Jan 90*

[Text] Fuzhou, January 7 (XINHUA)—Coastal Fujian Province will maintain and improve its opening policies and measures and further expand its foreign economic relations and trade, Governor Wang Zhaoguo said here today.

Governor Wang said at a meeting of the provincial government that Fujian is a pilot area of China's reform and opening to the outside world. He suggested adopting the following measures to promote its foreign trade:

- Maintaining steady growth of exports by integrating trade with manufacturing industries and developing export conglomerates. Trading and manufacturing companies should strengthen management of major export commodities, improve their quality and deliver them timely. Foreign trade firms may set up marketing and service centers abroad and increase domestic supply sources;
- Using overseas funds and technology to adjust industrial structure and improve infrastructures. More attention will be paid to improving investment environment, management of and services to existing foreign-funded enterprises such as cutting red tape, simplifying procedures and raising efficiency;
- Accelerating construction of Taiwan investment zones. Xiamen and Fuzhou Cities should encourage Taiwan investors to establish big projects in the zones. Taiwan businessmen are also encouraged to invest in infrastructural projects, basic industries and technology- and capital-intensive industries as well as in retooling existing enterprises or contracting their operation;
- Increasing export of labor service and contract of construction projects;
- Accelerating construction of the special economic zone, open cities, development zones and coastal open areas and strengthening ties with Overseas Chinese, and
- Expanding tourism.

The meeting was also informed that Fujian's exports reached 1.62 billion U.S. dollars in 1989, 14.7 percent more than the previous year.

The province approved 872 contracts on using foreign funds last year, showing a seven percent increase. The contractual funds amounted to 961 million U.S. dollars and the used foreign funds, 391 million U.S. dollars, representing 53.8 percent and 35.4 percent growth respectively.

The 1,400 foreign-funded enterprises in the province had shown good performances. By early December, their exports earned 311 million U.S. dollars, indicating a 73.8 percent increase over the previous year.

Female Vice Governor Appointed in Fujian*HK1001021190 Beijing ZHONGGUO XINWEN SHE
in Chinese 0924 GMT 9 Jan 90*

["Liu Jinmei Has Been Appointed Vice Governor of Fujian Province"—ZHONGGUO XINWEN SHE headline]

[Text] Fuzhou, 9 Jan (ZHONGGUO XINWEN SHE)—Liu Meijin has been appointed vice governor of Fujian Province today. She is the first female vice governor of this province in almost 40 years.

This appointment was approved by the 12th Session of the Fujian Provincial People's Congress Standing Committee that concluded today.

Liu Meijin is a native of Licheng in Shandong. In 1983 she was appointed deputy director of the Organization Department of the Fujian Provincial CPC Committee and subsequently became director of this Organization Department. Before this, she was deputy chief of the provincial bureau for geology and mineral products and was a senior engineer.

Fujian Achieved 'Steady' Economic Growth in 1989

OW0801175690 Beijing XINHUA in English
1542 GMT 8 Jan 90

[Text] Fuzhou, January 8 (XINHUA)—Coastal Fujian Province achieved a steady economic growth in 1989, according to Governor Wang Zhaoguo.

Wang said that the province obtained good all-round harvests and the grain output reached 8.82 million tons, setting a record. Afforested area amounted to 337,000 ha, representing a 30 percent growth. The output of fruit, meat and aquatic products increased 12.1 percent, two percent and 4.1 percent, respectively.

The output value of rural enterprises jumped 22 percent to 20 billion yuan and peasants' net income increased by 60 yuan per capita.

The industrial output value rose 13.8 percent to 35.6 billion yuan. Output of energy, raw materials, chemical fertilizers and other goods for farming continued to increase, while the output of already-overstocked industrial products dropped markedly.

In foreign trade, Wang said that Fujian's exports earned 1.62 billion U.S. dollars, an increase of 14.7 percent, while the inflow of overseas investment maintained its momentum.

The financial income was estimated to have jumped 28.2 percent and expenditure grew 21.1 percent. With financial subsidies from the central government, the province maintained a balance between revenue and expenditure.

The monetary supply and recovery situation also turned for the better, with bank deposits increasing by 4.5 billion yuan and loans, by 4.2 billion yuan.

In the meantime, the overheated demand for investment and consumption weakened. The province cancelled or postponed construction of 920 projects, representing a reduction of 1.647 billion yuan in investment. The state enterprises' investment in fixed assets amounted to 4.72 billion yuan, 12.1 percent less than in the previous year. The retail sales volume increased 23.4 percent to 24 billion yuan. At present, consumer goods supply is sufficient and the inflation rate has dropped four percent to 22.5 percent.

On economic work in 1990, the governor said that the province expects a four percent growth in agricultural output value, an eight percent increase of industrial output value, and a seven percent increase in gross domestic product.

Wang also asked administrations at all levels to control the investment in fixed assets, cut the inflation rate and population growth, deepen the reform, expand foreign economic relations and trade and improve the economic returns of existing enterprises.

Fujian Sentences Defendant for 'Sabotage'

OW0501185290 Fuzhou Fujian Provincial Service
in Mandarin 1100 GMT 21 Dec 89

[Text] The Intermediate People's Court of Fuzhou City today announced the ruling in a case of counterrevolutionary sabotage and demagoguery. Defendant (Sun Xiongying) was sentenced to 18 years in prison in accordance with the L.w.

(Sun Xiongying), who formerly was a cadre with the training office of the Fuzhou City Sparetime College, is a 23-year-old male native of Yongchun County. (Sun) is hostile toward proletarian dictatorship and the socialist system. After the Beijing rioting was put down, he smeared, in June and in September, respectively, the statue of Mao Zedong in the square in front of the Workers' Cultural Palace in Fuzhou City and the name plaque of the Fuzhou City People's Government. He used black paint contained in eggshells. He also scribbled reactionary slogans in public places, including Wuyi Square Park in Fuzhou and Xiamen University. He spread demagogic and subversive views that were aimed against proletarian dictatorship.

The Intermediate People's Court of Fuzhou City found (Sun Xiongying) guilty of counterrevolutionary sabotage, which carried a prison term of 12 years, for the first offense, and of counterrevolutionary propaganda and demagoguery, for which the sentence was 7 years in jail, for the second offense. Combining the two sentences, the Court decided that (Sun) will serve 18 years in jail and be deprived of political rights for 5 years.

Jiangsu Leaders Attend Party Congress Opening

OW1001083690 Nanjing XINHUA RIBAO in Chinese
21 Dec 89 p 1

[Excerpts] The Eighth Jiangsu Provincial Congress of the Communist Party of China [CPC] opened ceremoniously in the Great Hall of the People in Nanjing yesterday morning. [passage omitted]

Present at yesterday's opening session were 795 delegates.

Seated in the front row on the rostrum were Standing Committee members of the Presidium of the congress Han Peixin, Shen Daren, Chen Huanyou, Deng Hongxun, Sun Jiazheng, Cao Hongming, Yue Dewang, Hu Fuming, Gu Hao, Liu Lin, Zhou Ze, and Cao Keming.

Some old party comrades, who for many years had made important contributions to Jiangsu's party affairs, attended the meeting on invitation. They included Jiang Weiqing, Liu Shunyan, Guan Wenwei, Bao Houchang, Kuang Yaming, Chu Jiang, and Qian Zhonghan, and were seated on the rostrum.

Also attending the meeting on invitation and seated on the rostrum were responsible persons of various democratic parties and the Federation of Industry and Commerce, as well as some nonparty patriots. They included Ding Guangxun, Li Dakui, Deng Haoming, Gao Juefu, Cheng Bingwen, Zhang Dafa, Chen Minzhi, Chen Suiheng, Tang Nianci, Wu Zhen, and Zhang Xuwu.

At 0830, Comrade Shen Daren announced the opening of the Eighth Jiangsu Provincial Congress of the CPC. All rose, while the solemn "Internationale" was played.

Then, an ebullient letter of congratulations from the party committee of the Nanjing Military Region was read to the congress.

To warm applause, Comrade Han Peixin delivered a work report on behalf of the Seventh Jiangsu Provincial CPC Committee. [passage omitted on summary of report, to be filed separately]

Nanjing Military Leader Reviews Grass-roots Work

OW0801030490 Nanjing XINHUA RIBAO in Chinese
23 Dec 89 p 1

[Dispatch by Huang Zhuqing (7806 2612 3237)]

[Text] A meeting of representatives of advanced units and individuals of the Nanjing Military Region in grass-roots construction opened in Nanjing yesterday.

Under the guidelines of the 5th Plenary Session of the 13th CPC Central Committee, the enlarged meeting of the Central Military Commission, and the All-Army Political Work Conference, the purpose of the current meeting is to study in depth the guiding principle set by the Central Military Commission and the General Political Department for grasping grass-roots construction. The meeting will also study the essence of the document, "Outline of Building the Army's Grass-roots Units." It will also sum up and exchange the past 3 years' experience in this regard and commend the advanced units and individuals in order to push all army units of this military region to further the foundation-laying work for deepening grassroots construction.

Xiang Shouzhi, commander of the Nanjing Military Region, delivered a speech at the meeting' opening. He reviewed the following achievements made by the various units of this military region in building at the grass-roots level since 1986: They have grasped the education in the four cardinal principles, in the current situation and policies, in ideals and morality, and in legal knowledge. Such education has improved the political and ideological quality of officers and men and enabled them to stand the serious tests at the time of stopping the

turmoil and quelling the counterrevolutionary rebellion. They have launched wide-scale mass military training activities, including "100-company contests," with fighting capacity as the basic criterion. This has raised the military quality of officers and men and enabled them to complete such tasks as combat readiness training. They have persisted in making comprehensive efforts to correct laxity and to rectify workstyle and discipline. This has raised the consciousness of officers and men in observing orders and prohibitions and in abiding by discipline and law. Regular order has also appeared in war preparedness, training, and other work, and in everyday life. They have upheld and carried forward the fine tradition of respecting cadres and cherishing soldiers, supported local economic construction, and forged close ties between officers and men, between the Army and the government, and between the Army and the people. In addition, material and cultural life at the grass-roots level has been improved. Party branches have become better able to solve their own problems and to lead the work of building their respective units, while party members' role as exemplary vanguards has been brought into fuller play. In his speech, Commander Xiang also presented the tasks and demands for furthering the work of grass-roots construction. He pointed out that, through this meeting, further efforts should be made to achieve unity in thinking, enhance understanding, formulate the necessary plans, and take effective measures to raise the overall level of grass-roots construction.

Attending the meeting were leaders of the Nanjing Military Region, including Fu Kuiqing, Shi Yuxiao, Zhang Ming, and Wang Tailan; responsible persons at and above divisional level; representatives of advanced units and individuals; and leaders from the sections concerned of the general departments of the People's Liberation Army; totaling more than 300 people.

Shandong Leader Writes About United Front Task

SK1101062090 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 6 Jan 90

[Text] The first issue of 1990 LIANHE ZHOUBAO [COALITION WEEKLY] publishes an article by Jiang Chunyun, secretary of the Shandong Provincial CPC Committee.

In his article, Jiang Chunyun stated: The people throughout the province are deeply implementing the spirit of the 5th Plenary Session of the 13th CPC Central Committee to accelerate the pace of improving the economic environment, rectifying economic order, and deepening the reform drive. During the period in which new historical tasks are being fulfilled, further consolidating or developing the province's patriotic united front has a vital bearing on fulfilling the demand made by General Secretary Jiang Zemin with regard to realizing stability in both politics and the economy in the new year.

In his article, Jiang Chunyun pointed out: Over the past year, party and government organs at all levels throughout the province have led the people throughout the province to earnestly implement the spirit of the 4th and 5th Plenary Sessions of the 13th CPC Central Committee, to overcome various difficulties, and to win a new victory in building socialist material and spiritual civilizations.

All of these achievements cannot be divorced from the enhancement of the patriotic united front under the party's leadership. Experience has shown that the cooperation fostered by multiple parties under the CPC leadership has a solid foundation and broad prospects. We should be unshakable and undoubting about these prospects.

In his article, Jiang Chunyun urged various democratic parties, the Chinese People's Political Consultative Conference [CPPCC] committees at all levels, various mass organizations, and personages in various social circles to bring into full play their advantage of having extensive contacts with the masses in various industries and trades at various levels. He also urged them to do much work, to enhance unity, to unite as one, to pool the wisdom and efforts of everyone, and to effectively consolidate or develop the province's political stability and unity. Party and government organs at all levels should pay much attention to performing well the task concerning the patriotic united front; to bringing various social forces into full play; to uniting with everyone possible; and also to bringing into play the enthusiasm, initiative, and creativity of various circles so as to win a new victory in improving the environment, rectifying order, deepening the reform drive, and building the four modernizations.

Shandong Takes Steps To Build 'Clean Government'

HK1001004890 Beijing RENMIN RIBAO in Chinese
4 Jan 90 p 3

[Report by Lu Zhutong (7627 4554 6639): "Shandong Province Does Solid Work in Building a Clean Government"]

[Text] In recent years, party organizations at all levels in Shandong Province have solidly grasped the building of a clean government by proceeding from leading bodies, doing practical work, and dealing with major cases.

With regard to issues that prompt strong reactions from the masses, such as the "three recruitments and one shift" (recruitment of workers, cadres, and students, and the shift from agricultural population and nonagricultural population) and the distribution of agricultural materials in short supply, Shandong Province publicizes the appropriate policies, criteria, quotas, and so on throughout the province. While recruiting cadres last year, Taian and Dezhou cancelled the examination qualifications of 767 people and the employment qualifications of 233 people, because the masses filed expositions of them.

They have also focused on investigating and dealing with major cases. According to statistics, in the first half of last year, over 20,000 cases of all kinds were investigated

and dealt with throughout the province. More than 6,100 party-member cadres, including 1 cadre at the provincial department or bureau level, 24 cadres at the county or department level, and 1,140 cadres at the section level or below, were given disciplinary actions within the party, administrative measures, or legal sanctions. Through various forms, such as issuing internal notices, making case analyses, and holding discussions, party organizations at all levels have also used typical cases of universal educational significance to conduct education among the vast numbers of party members and cadres, thus achieving quite satisfactory results.

Shandong Plans Four Export-led Industrial Zones

OW1001020090 Beijing XINHUA in English
1533 GMT 9 Jan 90

[Text] Qingdao, January 9 (XINHUA)—Four new export-processing industrial zones will be set up on the Shandong Peninsula, local officials told XINHUA here today.

The officials said that the four new zones will be located in Zibo, Weifang, Weihai and Rizhao Cities, respectively.

Qingdao and Yantai on the peninsula established economic and technological development zones in 1985. Establishment of the four new zones is aimed at attracting more overseas funds and technology, retooling existing industrial enterprises and expanding exports.

The Zibo export-processing zone will be located 1.5 km from the city proper and the designated area will cover four sq km. There are now over 100 industrial enterprises and research institutes in the zone, and it will give priority to the development of petrochemical, pharmaceutical and fine chemical establishments.

The Weihai export-processing zone will cover 3.5 sq km and is designated to develop the light industry, food, rubber, chemical and aquatic products industries.

The Weifang zone will cover 5.2 sq km and the export-processing zone in Rizhao City will cover eight sq km.

All the four zones have good infrastructures and have convenient access to highways and railways.

Shandong's Export Earnings Set New Record

OW0701174790 Beijing XINHUA in English
1452 GMT 7 Jan 90

[Text] Jinan, January 7 (XINHUA)—Coastal Shandong Province earned over three billion U.S. dollars from exports in 1989, setting a new record in its foreign trade.

The province promulgated 20 measures to encourage exports at the beginning of last year to overcome the declining trend.

In 1989, the local banks increased 1.13 billion yuan of loans for foreign trade departments to purchase export

commodities while taxation, customs and other departments raised efficiency in handling export procedures.

Local foreign trade departments also improved management and economic returns while manufacturers developed 56 new products, including air-conditioners, laser laboratory instruments and acrylic fibre carpet.

Shandong's exports began to rise in last March. [as received] Local foreign trade companies purchased commodities worth 10 billion yuan (2.1 billion U.S. dollars) for export last year.

Central-South Region

Guangdong Sentences 31 Criminals to Death

HK1201034590 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 11 Jan 90

[Excerpt] This morning, Guangzhou City Intermediate People's Court held a judgment pronouncement and execution meeting at Yuexiushan Sports Field, and pronounced judgments on 35 defendants of criminal cases, and sentenced 31 criminal offenders to death. During the meeting, Guangzhou Mayor Yang Ziyuan called on people in the city to deepen and develop the struggle for strictly cracking down on serious criminal offenses and against the seven vices [as heard], as well as to stabilize economic, social, and public security orders. Mayor Yang Zhiyuan said at the meeting that at present Guangzhou's political and economic situations are stable, as are the social and public security orders. At the same time we must perceive the grim side of social and public security orders in the city. He demanded that the people in the whole city be alert to criminal activities and consciously participate in strictly cracking down on serious criminal activities and in the struggle against the seven vices. [passage omitted]

Guangdong, Central Leaders Attend New Year Party

HK0101115490 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 1 Jan 90

[Text] Wang Renzhong, vice chairman of the Chinese People's Political Consultative Conference; Yu Qiuli, member of the Standing Committee of the Central Advisory Commission; and Ye Xuanping, governor of Guangdong, last night joined the people from various circles in the city of Zhuhai in a gathering to celebrate the new year of 1990. Literature and art workers from Guangzhou, Beijing, and Zhuhai gave performances during the gathering. Their performances, including music, dances, acrobatics, and magic, were warmly applauded by the audience.

Guangdong's Zhuhai Economic Zone Problems Viewed

HK0801042390 Hong Kong MING PAO in Chinese 7 Jan 90 p 18

[Feature article by staff reporter Hsia Chu (1115 3769): "Zhuhai's Economy Is at a Low Ebb; More Than 30 Percent of the Factories Have Closed Down"]

[Text] Following its rapid growth over the past few years, the economy of the Zhuhai Special Economic Zone suddenly reached a low ebb last year and found itself in a predicament. In addition, Mayor Liang Guangda received a grim inner-party warning about building luxury residential houses, which added anxieties to the city's development.

It has been disclosed in the annual Zhuhai government report that although Zhuhai's economic development targets increased somewhat, they still showed a drastic decrease, compared with growth in the preceding year. If the factor of price increase is deducted, many economic targets actually show a negative increase. It has been reported that Zhuhai's industrial growth was 16 percent in 1989, but 73 percent in 1988; the use of foreign investment increased 14 percent in 1989, but 67 percent in the year before; the city's revenue increased 18 percent last year, but 84 percent in the preceding year; and foreign trade and exports showed a negative increase in 1989, but an increase of 56 percent the previous year.

Morale at the Top Levels Is Low Because of Punishment Meted Out to Liang Guangda

Zhuhai's economic development predicament is not merely indicated in these boring statistics. It is said that the provincial discipline inspection commission recently handled the question of Zhuhai Mayor Liang Guangda and other principal leading cadres building luxury residential houses. Liang Guangda received a grim warning within the party, and this case dampened the enthusiasm of the city's leading body. It is indeed heartrending to come to such a disgraceful end after the efforts made over the past decade or so to develop the special zone. It has been reported that people from both the central and provincial authorities intended to protect Liang Guangda, in consideration of the impact produced outside. So long as Liang and others are willing to turn over a new leaf, they should be dealt with leniently. However, the Guangdong Provincial CPC Committee Discipline Inspection Commission insisted on punishing Liang Guangda.

It has been learned that one-third of Zhuhai's factories have closed, that two-thirds of the factories have no work to do, and that the workers can receive only half of their wages. Government organs or enterprises can no longer issue bonuses as they did a few years ago. During New Year's Day the institutions and units in the city also did not have money with which to distribute presents and materials. Prices remain stable in Zhuhai now. The prices of television sets and household electrical appliances have dropped, while those of food and vegetables have increased.

The Wife and Son of the Labor Department Head Also Await Jobs

Because large numbers of enterprises have closed down or do not have enough work to do, the number of

unemployed in Zhuhai totals over 1,000, and even the wife and son of the labor department head are waiting for jobs.

Zhuhai's tourism still suffers from the grave consequences of the 4 June incident in Beijing. Business is slack in most of Zhuhai's guesthouses and restaurants. Some 70 percent of the rooms of the famous Yindu Hotel are vacant. Because of dull business, the Nanhai oilfield headquarters had to turn over its luxury Nanhai Hotel to the Zhuhai government.

Zhuhai, a city in the special zone, mainly relies on the preferential policies offered by the central authorities to attract foreign investment and to establish ties with domestic enterprises and institutions. Thanks to the economic austerity policy implemented nationwide, enterprises in the interior are no longer interested in investing in Zhuhai, and some 50 percent of the companies have withdrawn from Zhuhai. In the past, buses from Guangzhou to Zhuhai were almost full every day, but passengers have decreased nowadays, despite the reduction in the number of bus runs. Sometimes, there are only three to five passengers in a bus. The decrease in capital from the interior is bound to further weaken the economy of the Zhuhai special zone and dampen the enthusiasm of foreign businessmen for investing in the zone.

It has been reported that the central authorities are preparing for a special zone conference to seek a solution for the development of the special zones. According to some people of insight, if the central government cannot find a solution in the near future, construction of the special zone may come to a standstill or present a scene of all-round retrogression.

Guangdong Capital Increases Production in 1989

HK1001041290 Beijing CHINA DAILY in English
9 Jan 90 p 2

[By staff reporter Li Zhuoyan]

[Text] Guangzhou—Industrial production in Guangzhou increased by 5 percent in 1989 despite short supplies of cash, energy and raw materials.

This followed the 25.6 percent growth registered in 1988.

Total industrial output in the capital city of Guangdong Province amounted to 25.8 billion yuan (\$5.5 billion).

Light industrial manufacturers in the city made 17.3 billion yuan (\$3.7 billion) last year, an increase of 2.2 percent, while heavy industry grew by 11.2 percent to 8.5 billion yuan (\$1.8 billion). Guangzhou's industrial growth which was at 19 percent for the first half of the year declined in the last half as sales slumped around the nation.

However, manufacturers in the city developed 440 new products which were in demand.

These new products made Guangzhou industrial goods more competitive on the home and overseas market.

Exports kept growing. From January to November, Guangzhou's overseas sales increased by 15.6 percent from the same period in 1988.

Guangdong To Build Second Nuclear Power Station

HK0401080790 Hong Kong WEN WEI PO
in Chinese 4 Jan 90 p 1

[Report by Chung Wen-yi (6945 5113 0001): "Guangdong Plans To Build Another Nuclear Power Station Within 5 Years Either at Taishan or Yangjiang"]

[Text] Guangzhou, 3 Jan—Guangdong Province is planning to build another nuclear power station to satisfy the increasing need for electricity.

This is what this reporter has learned from the 11th meeting of the Standing Committee of the 7th provincial People's Congress. At a meeting of the provincial People's Congress held last year, the people's deputies presented a motion on the question of the shortage of electric power in this province. Today, the provincial people's government submitted a report on the handling of the said motion to the Standing Committee of the Guangdong Provincial People's Congress.

The report revealed that Guangdong Province is now firmly preparing for the construction of the second nuclear power station. The provincial government has established a special leading group headed by Vice Governor Kuang Ji to make overall preparations for the construction of the nuclear power station. Since October 1988, work has been done on selecting a suitable location for this project. At present, discussion is focused on the selection of Yaogu in Taishan or Dongping Shahuan in Yangjiang. The exact location will be determined after further study. The provincial government has submitted a formal written report to the State Planning Commission and to the Ministry of Energy Resources. According to the report, construction will start within 5 years, and the new power station will be put into production by the year 2000. It is planned that some 1-million-kilowatt-class nuclear power generating sets will be imported and that two such generating sets will be installed for the first-phase project.

Over the past few years, Guangdong has invested a total of more than 6 billion yuan in power construction. With a newly installed capacity of 2 million kilowatts, generated energy has increased by 55 percent. The long-term power shortage was once before improved after the second half of 1987. However, due to the rapid economic development, there is still a shortage of electric power at present. The reason is that the scope of power construction was too small in the past, and investment was insufficient. As a result, there is insufficient water for hydropower stations and insufficient coal for thermal power plants. Now the province has an approximately 30 percent electric power shortage.

The report submitted by the Guangdong provincial government points out: To meet the needs of our economic development, the Guangdong provincial government has organized relevant departments to conduct repeated investigations and studies of the power situation of this province. It has worked out a long-term plan for power construction in the next decade. Apart from building the second nuclear power station, it has been tentatively planned that some medium-sized and large power stations will be built by 1995, with a total installed capacity of about 7 million kilowatts. On average, about 1 million kilowatts of the new installed capacity will be put into production each year. By 1995, generated energy of the whole province will reach 65 billion kilowatt-hours, increasing at an average rate of 13.4 percent a year. In the years between 1995 and 2000, efforts will mainly be concentrated on building a number of large thermal power plants in coastal areas. Some medium-sized and small hydropower stations will also be developed at the same time. The first 50,000-kilowatt oil shale power plant will be built in Maoming, and a group of such power plants will be built there by 2000, with a total installed capacity of 400,000 to 500,000 kilowatts. Guangdong will also make investments in power construction in Guangxi, Guizhou, and other provinces. According to a letter of intent signed by Guangdong and the southwestern region on joint development, Guangdong will develop a generating capacity of 2.41 million kilowatts in the southwestern region in the next decade, and its total volume of generated power will thus be increased by an average of nearly 12 billion kilowatt-hours a year.

Guangxi Secretary Inspects Breeding Stock Farm

HK0901015890 Nanning Guangxi Regional Service in Mandarin 1100 GMT 7 Jan 90

[Excerpt] Recently, Chen Huiguang, secretary of the Guangxi Regional CPC Committee, and Chen Ren, vice chairman of the Guangxi Regional People's Government, inspected a breeding stock farm in Fusui County.

During their inspection, the two leaders said that exploiting grassland resources by all means and greatly developing grassland animal husbandry are important component parts of regional agricultural development, and are especially important component parts of regional grain production development.

The two leaders said that Guangxi has a total of over 97 million mu of grass hills and thereby possesses very good conditions to expand her animal husbandry development. Over the past few years, leaders at all levels in Guangxi have gradually realized that developing grassland animal husbandry is an important way for the broad masses of peasants, especially the peasants living in the remote and mountainous areas and the areas inhabited by ethnic minorities, to shake off poverty and become prosperous. It is also an important way for Guangxi to solve its problem of meat shortages. [passage omitted]

Hainan Secretary Stresses Spiritual Civilization

HK0901052890 Haikou Hainan Provincial Service in Mandarin 2300 GMT 6 Jan 90

[Excerpts] A provincial experience exchange meeting on spiritual civilization was held at the provincial party committee auditorium yesterday morning. Xu Shijie, provincial party committee secretary, delivered a speech at the meeting. The meeting was presided over by Liu Jianfeng, deputy secretary of the provincial party committee and governor. Present at today's meeting were provincial party, government, and army leaders Bao Keming, Miao Enlu, Li Zhimin, Pan Qiongxiong, [names indistinct] Meng Qingping, Xin Yejiang, Zou Erkang, Zhang Jintao, [names indistinct], and members of the provincial leading group for development of spiritual civilization. [passage omitted]

In his speech Comrade Xu Shijie presented the key requirement for the development of spiritual civilization in this province, namely, to bring the initiative of all the people into full play, to carry forward the spirit of enterprise, hard work, and of fearing no difficulties, and that of utter devotion, and to make every effort to build the special economic zone.

In further elaborating his view on the construction of the special economic zone and on the development of spiritual civilization, Comrade Xu Shijie said: We must strengthen our confidence and be clear about our orientation. First, we must adhere to the socialist orientation and build a firm faith in Marxism-Leninism-Mao Zedong Thought. Second, we need a stable policy and a stable society. Social stability is the fundamental precondition for development in all fields. A stable policy will help build confidence among the public. For the present, our task is to display our originality in fully and perfectly implementing the policy. Third, we must strictly enforce discipline and practice a fair reward and penalty system. We must keep up our efforts in promoting clean and honest government and in wiping out pornography, commending those who have performed well and criticizing those who have done poorly. Fourth, we must uphold the cadre appointment policy of appointing people on their merits, and we must uphold the system of collective decisionmaking. Fifth, we must strengthen education and enhance quality. We must formulate different principles, measures, and methods for education in light of the present social structure of the province and of the different local conditions. We must cope with the different needs of people of different education standards, according to their different desires and wishes, so as to achieve good results. [passage omitted]

Xu Shijie Discusses Hainan Planning in Interview

HK0801004090 Beijing RENMIN RIBAO in Chinese 2 Jan 90 p 2

[Article by staff reporter Luo Zisu (5012 5261 5685): "Planning for the Hainan Special Economic Zone in the New Year—Comrade Xu Shijie on Laying a Solid Foundation"]

[Text] Reporter: Hainan Provincial Party Committee has all along stressed that the primary task for the next few years is to lay a solid foundation. Such a sober and prudent attitude has made a deep impression on public opinion at home and overseas. With the arrival of the New Year, will you please say something to the public about the Hainan Special Economic Zone (SEZ) and about the planning for the SEZ in the new year?

Xu Shijie: For Hainan to achieve the level of developed regions by the end of the year 2000, and to catch up economically with rather developed countries and regions on that basis, it is imperative to adhere to the principle of improvement, rectification, and deepening reform. It is also necessary to continue to lay a solid foundation, to improve the climate, and to gather staying strength in the next 3 years or more. We shall act according to this guiding idea in the new year. The crux is to continue to develop education in "laying a foundation" among the cadres and masses. The construction of a huge building starts with laying the groundwork. That is an ancient teaching as well as common sense.

Reporter: People are liable to get the wrong impression, believing that laying a foundation can be dreadfully slow and without excitement or stimulation. Will you please resolve this problem and explain Hainan's actual conditions in building the province over the past year or so?

Xu: The Central Committee and the State Council have set rather high requirements for Hainan SEZ's development. The people are pinning high hopes on Hainan's economic development, too. The fulfillment of this goal inevitably involves a suitable development rate. Laying a foundation does not mean to drag things on slowly, but to seek speed in down-to-earth work. Tremendous changes have taken place in Hainan, with the investment climate being much improved after a year of arduous struggles among the cadres and masses. I should like to stress the fact that Hainan Province now has an ample power supply and that power shortages have become history in the province. Conditions of land and water transportation have also improved with two newly built deep-water harbors and with the transformation and expansion of two dockyards. Today, highway networks link every township in the province. Construction of the eastern line of a circuit expressway has begun. A direct dial call from Haikou, Sanya, and Tongza now links all major and medium cities nationwide and links scores of countries and regions in the world through the national network. The opening of new air lines has connected Hainan with Hong Kong, Bangkok, Singapore, China's five major economic coordinating regions, the northeast, north China, the northwest, central China, and the southwest. Despite the attack of four strong typhoons in 1989, grain output increased by 21 percent over 1988's output. Hainan's gross industrial and agricultural output value in 1989 could be 2.6 billion yuan, up by approximately 35.42 percent over 1987's output, the year prior to its becoming a province. The practices of introducing

investments from abroad and of establishing lateral ties with other parts of the country have gained some steady momentum.

Reporter: Compared with other existing SEZs in China, Hainan, as a province, has its advantages but has a different social environment and industrial setup. Will you please say something about the specific measures Hainan will adopt, based on its actual conditions?

Xu: China's stability and unity are the reliable guarantees for Hainan's economic development. Without political stability and unity, steady economic development would be impossible. It is imperative for us to rally around the Central Committee with Comrade Jiang Zemin as its core, to adhere to the principle of "one center, two basic points," and to simultaneously grasp the building of material and spiritual civilizations. In Hainan, party unity and nationality solidarity are the basic guarantees for steady economic development. We should continue to advocate the spirit of "joining together for a common revolutionary objective" [wu hu si hai 0063 3275 0934 3189] and "plain living and hard work" to maintain the political situation of stability and unity. Party organizations and governments at all levels throughout the province should augment leadership to strengthen social order and to further mobilize forces to guide the struggle of thoroughly "mopping up pornography." We require leadership at all levels to focus their energy on grasping agriculture by simultaneously grasping agricultural development and exploitation, and to develop farm produce that will bring in hard currencies.

Running SEZs is an organic component part of building socialism with Chinese characteristics, and an experiment to complete, perfect, and develop the socialist system. In the new year, we will also develop multiple economic factors in a big way and encourage competition on an equal basis. This is the objective necessity and inevitable road for Hainan's economic development.

Reporter: Personalities at home and overseas have all along paid close attention to the stability and continuity of Hainan's policies. Will you say something about it?

Xu: The stability and continuity of policies are a matter of great importance to Hainan. The problem today is that Hainan has not fully implemented and utilized the central policy which has been granted it; that is one aspect. There is another aspect, and I should like to take this opportunity to explicitly explain to our friends at home and overseas the issue over which all social circles show the greatest concern and misgiving: Hainan is set on maintaining eight constants in its economic construction, namely: The policy of reform and opening up to the outside world; the policy of running a large SEZ; the principle of developing multiple economic factors; the pattern of contracted responsibility system with enterprise; the system of contracted household responsibility related to output; the policy of allowing some people to become rich first; the policy of encouraging the healthy

development of township and town enterprises; and the policy for procurement, which will stay constant, of farm and sideline produce. Hainan has a strong backup of a socialist economy, with the earnest expectations and support from the people all over the country. With the leadership and concern of the Central Committee and the State Council, and with 6 million people on the island, it will certainly blaze a new trail at the beginning of the 1990's.

WEN WEI PO Series on Hainan Continues

HK0501084890 Hong Kong WEN WEI PO
in Chinese 1 Jan 90 p 2

["Special article" by Fu Fen (4569 1164) and Chung Wen-yi (6988 5113 0001): "The Development of Yangpu Is like an Arrow on a Bowstring—Fourth Report on the Hainan Special Economic Zone"]

[Text]

Past Events Seem To Be Repeated Here

Opening to the outside world does not merely signify opening to the world economically; at the same time, it also requires breaking through the barrier of the closed door concept. Ten years ago, when Shekou Industrial Zone was initially built, it also experienced various criticisms, like "betraying the country" and a "concession;" 10 years later, past events seem to be repeated in Yangpu again.

Yangpu has to slow down its pace toward the world.

Not long ago, reporters came to Yangpu and could see that the construction of the port in which the Chinese side had invested was still in progress, but without the participation of Hong Kong Kumagai Gumi. The decoration and repair work done on the hostel that Hong Kong Kumagai Gumi was originally prepared to rent has stopped, people have left, and the house is empty. Regarding the power station that people were originally prepared to begin building this year, after Hong Kong Kumagai Gumi did the survey work, there has been no followup work.

An official of the office of the Hainan Provincial Government in Yangpu Port said: "This is a disastrous situation."

Indeed, the quiet situation of Yangpu has caused many people who are concerned with it to be very worried. Hainan people are especially worried because they have pinned their hopes of Hainan's takeoff on the "Yangpu pattern."

It seems that to clarify outsiders' various conjectures about Yangpu, the leaders of Hainan Province have frequently expressed, in various forms, their firm confidence in developing Yangpu.

At the beginning of August, Hainan Provincial CPC Committee Secretary Xu Shijie inspected Yangpu again

and disclosed to reporters that the new CPC leadership level had clearly and definitely expressed its support for Hainan in introducing foreign capital to develop Yangpu.

The "Yangpu Contretemps" Is Over

At the end of October, Xu Shijie and newly appointed Hainan Governor Liu Jianfeng met Yu Yuanping, general manager and concurrently vice chairman of the Board of Directors of Kumagai Gumi (Hong Kong) Limited; Shitongbao [2514 0681 1405], general representative of Kabushiki Kaisha Kumagai Gumi to China; and their party. At the meeting, Xu Shijie and Liu Jianfeng stressed that the policy of the development of large areas in Hainan remained unchanged; Yu Yuanping also expressed the firm intention of developing Yangpu. Liu Jianfeng also told reporters: As to the "Yangpu contretemps," it is merely a small episode. After the work done by all quarters, the upper and lower levels' understanding of the development of Yangpu has been unified. The "Yangpu contretemps" naturally does not exist.

Bao Keming, executive vice governor of Hainan Province, disclosed to the reporters of this newspaper that Yu Yuanping's visit made him more confident about the development of Yangpu. He believed that the Hainan policies were more complete, that the responsible persons of Hainan had made more thorough and unified arrangements for the issues of opening to the outside world and developing Yangpu, that they had the support from the central authorities, and that their enthusiasm was, therefore, very high.

In an interview with the reporters of this newspaper, Xu Shijie also declared that Hainan Province and Kumagai Gumi were very keen on the Yangpu issue and that the central authorities were giving great support. At present, both parties are further studying the specific articles and the implementation of the specific projects.

According to some government officials of Hainan, as early as the end of April last year, Deng Xiaoping gave written instructions on the report of Hainan Provincial Party Committee and Provincial Government on the development of Yangpu. Deng said that the plan for the development of large areas in Yangpu was correct and that the opportunity must be firmly grasped and not missed. Where views differed, it was necessary to do explanatory work well.

Many Policies Are Formulated Even Better

Some officials of Hainan Province declared: The development of Yangpu is like an arrow on a bowstring and is imperative. The present slow progress is only a temporary phenomenon and its reasons are rather complicated. For example, in the past, the problem of the development of Yangpu was handled rashly, some specific policies were not studied carefully, the articles of the law were not drafted and passed, no talks were held on the implementation of the investment projects, and so on.

Now a certain period of time is needed to "make up a missed lesson" for some oversights and omissions in the specific work in the past. In addition, Hong Kong Kumagai Gumi also made some specific demands concerning the development of Yangpu. For example, the enterprises in Yangpu Development Zone must be exempt from taxes for 3 years, their personnel can come and leave freely without restrictions, the control on the first customs cordon must be relaxed, the control on the second customs cordon must be rigid, and so on. All this involves the customhouse, frontier inspection station, and tax department, and it takes time to study and coordinate the work. With the outbreak of the "4 June" incident, the governor of Hainan has changed, and progress in the development of Yangpu has been more or less affected.

These officials also declared that it was understood in the past that Kumagai Gumi was responsible for the investment projects inside Yangpu Development Zone. Therefore, Hainan did not attach enough importance to the implementation of the projects. As the central authorities now place emphasis on "the promotion of the development of land by the projects," Hainan is required to further discuss the specific investment projects with Kumagai Gumi and to put the details into effect. The construction projects that have now been initially determined are: A large 1.3 million-kilowatt power plant, a chemical works with a capacity of 450,000 tons of ethylene, a 3 million-ton oil refinery, a chemical fertilizer plant with a capacity of 500,000 tons of urea, a 50,000-ton titanium white works, a glass factory with a capacity of 50,000 large cases, a cement plant, and so on; together with some relevant coordinated facilities, like diversion works, 16 kilometers long, to draw water from Chunjiang reservoir. According to the preliminary estimate, the investments in these large projects will be \$6 billion or so, and the investments in the projects for basic facilities and the buildings on the land inside the development zone will be about 20 billion yuan, and it will take 5 years to basically complete them.

A Larger-scale Development Blueprint

Kumagai Gumi declared that it would develop 3 [as published] square kilometers first and, at the same time, actively look for foreign investors in these projects; the Chinese party also declared that they would invite applications from businessmen abroad.

In the 1986 Hainan development blueprint, by the year 2005, Yangpu will be an open type port city with the petrochemical industry as the main industry, covering an area of 50 square kilometers, with a population of 250,000. After Hainan was founded as a province, the blueprint changed to this: Yangpu will finally be built into a port city characterized by tropical coasts, covering an area of 100 square kilometers, with a population of 300,000, an annual output value of 20 billion yuan, and the heavy chemical industry and building material industry. The development of 30 [as published] square

kilometers by Hong Kong Kumagai Gumi is the first step in carrying out the blueprint.

The future is calling Yangpu, and Yangpu is ready to take off quietly.

Hubei Party Chief Addresses CYL Work Meeting

HK0901073190 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 7 Jan 90

[Excerpts] Provincial party committee Secretary Guan Guangfu held a discussion meeting on the morning of 6 January with more than 200 representatives attending the Third Enlarged Plenary Session of the Eighth Hubei Provincial Communist Youth League [CYL] Committee. The meeting took place at the Donghu Guesthouse in Wuchang.

CYL cadres from different parts of the province reported to provincial party committee leaders on their work in the past year, gave an account of difficulties and problems they are facing in their work, and talked freely about their determination and their plans for striding into the 1990's.

After listening attentively to what those CYL cadres had said, Comrade Guan Guangfu said: As far as the world is concerned, the 1990's will be a decade of inheriting the past and ushering in the future. How our party and country, including our youth, will stride into the 1990's will be of decisive significance. This will influence the future of our motherland and the decisive battle between the two systems in the world. Therefore, today I invited all of you to this meeting to discuss the problem. I hope that CYL organizations at all levels will, under the leadership of the party and the system of socialism, persistently emancipate their minds, bring their superiority into full play, and give scope to the strong points of the youth, such as daring to think, daring to speak, and daring to act. We should be not only good at taking over from the past but also good at setting a new course for the future, and we should stride into the 1990's with confidence.

When affirming the work done by CYL organizations throughout the province, Comrade Guan Guangfu pointed out: In the past year CYL organizations across the province did much work. In particular, they were as firm as a rock during the period of stopping the riots and quenching the counterrevolutionary rebellion, and they went through the rigorous trial of the struggle. Facts show that CYL organizations at different levels have proved themselves to be aides and reserves of our party.

Comrade Guan Guangfu talked with deep feeling and said that CYL organizations should adhere to the political orientation of the youth movement, carry on the glorious traditions of the youth movement, and do their work well in the 1990's—especially in the first year of the 1990's. The orientation of the youth movement is always its lifeblood, and, therefore, we should always march forward along the course charted by the party. He

emphasized: To carry forward the glorious traditions of the CYL, CYL organizations should be guided by Marxism-Leninism-Mao Zedong Thought and continue to arm and imbue the youth with Marxism, so that they will be able to study, analyze, and judge problems with a scientific world outlook and a methodology to guide their actions. Our youth should follow the road of integrating with the workers and peasants and absorb nutrients from them to accumulate knowledge, enhance their abilities, and understand thoughts and feelings of the workers and peasants. This will enable them to serve the people heart and soul. At the same time, they should convey knowledge and technology to the workers and peasants and bring out the best in each other. [passage omitted]

Comrade Guan Guangfu emphatically pointed out: While carrying out its work closely around the central tasks of the party, CYL organizations should give scope to their own distinguishing features and promote their activities independently. At present the central task of the party is to stabilize the political situation, the society, and the economy. You must do a good job of the central task, but at the same time you must persist in the double-hundred policy, deepen the democratic channel, and voice your own opinions so as to do well the work of keeping the people, the youth, and society stable. At the same time, attention must be paid to the work of building spiritual civilization, which serves economic work. [passage omitted]

Foreign Investment in Hunan Increases in 1989

HK0801082490 Changsha Hunan Provincial Service
in Mandarin 2300 GMT 5 Jan 90

[Excerpt] Our province achieved marked results in the use of foreign investment funds in 1989, with a total amount of more than \$115 million, which is 8.28 times that of 1988's total.

Since opening to the outside world, our province has approved 596 contracts signed with foreign investors and used more than \$300 million in terms of foreign investment funds.

In 1989 the orientation of foreign investment in our province became more rational. About 90 percent of foreign funds was used in production and construction of energy and raw materials, and productive projects made up 94 percent of 37 foreign-funded enterprise projects approved by the provincial authorities in 1989, and all of which were export oriented. [passage omitted]

NPC Group Inspects Hunan Forestry Production

HK2012035989 Changsha Hunan Provincial Service
in Mandarin 2300 GMT 16 Dec 89

[Excerpts] Yesterday afternoon, members of a NPC group currently carrying out inspection in Hunan Province listened to a report on our provincial situation regarding the implementation of "The PRC Forest Law"

and our provincial agricultural production development, which was given by Zhuo Kangning, Deputy Governor of Hunan Province. [passage omitted]

Xiong Qingquan, Secretary of the Hunan Provincial CPC Committee, Chen Ruixiang, head of the Hunan Provincial Forestry Department, and a number of other provincial party and government leaders were also present on the occasion.

The NPC Inspection Group arrived in Hunan Province on 2 December. The group has mainly come to inspect our provincial forestry production. [passage omitted]

After listening to the report given by Deputy Governor Zhuo Kangning, the NPC Inspection Group affirmed the achievements made by our province in forestry production over the past decade and also pointed out some of the problems and difficulties in our provincial forestry production. The NPC Inspection Group urged our province to practically increase input in forestry production while stabilizing various forestry production policies, carry out forestry operation in accordance with the law, resolutely put an end to indiscriminate tree-felling activities, severely crack down on criminal activities which destroy forests, and apply science and technology to our provincial forestry production so as to further push ahead with development.

Southwest Region

Guizhou Leaders Commend Units in Supporting Army

HK0901073390 Guiyang Guizhou Provincial Service
in Mandarin 2300 GMT 5 Jan 90

[Text] Yesterday, the provincial government held in Guiyang a provincial meeting on commending advanced units and individuals who have done well in supporting the Army and on giving preferential treatment to families of revolutionary soldiers and martyrs. Silk banners, prizes, and certificates of merit were presented to 50 advanced units and 97 advanced individuals.

Provincial party, government, and army leaders Long Zhiyi, (Shen Rijiang), (Li Zhongwei), Luo Shangcai, Zhang Shukui, Jian Bin, and others attended the meeting.

At the meeting, (Yang Xishun), director of Guizhou Provincial Civil Affairs Bureau, read a circular on commending advanced units and individuals who have done well in supporting the Army and on giving preferential treatment to families of revolutionary soldiers and martyrs.

On behalf of those units and individuals who were awarded, (Yang Zhengcai), deputy county magistrate of Fuquan County, spoke, saying that they would enhance their understanding of the significance of the work of supporting the Army and of giving preferential treatment to families of revolutionary soldiers and martyrs,

and that they would achieve greater achievements and make greater contributions in this regard.

Vice Provincial Governor Zhang Shukui and commander of Provincial Military District Jiao Bin also addressed the meeting. On behalf of the provincial CPC Committee and provincial government, Zhang Shukui extended his congratulations to those units and individuals who were awarded. He said: Supporting the Army and giving preferential treatment to families of revolutionary soldiers and martyrs is our party's glorious tradition. Now, and in the future, our work in this regard must be carried out in accordance with the following principle: Guided by the party guiding principle of one center and two basic points, we must continue to deepen the reforms and hold high the banner of patriotism and supporting the Army. We must strengthen the work of serving families of revolutionary soldiers and martyrs, and consolidate and develop relations between the Army and the government, and between the Army and the people, so that our work of supporting the Army and giving preferential treatment to families of soldiers and revolutionary martyrs will be gradually legalized, institutionalized, and socialized, and serve the building of the two civilizations.

At yesterday's meeting, (Deng Guoyong), director of the Political Department of the provincial Military District, read a circular issued by the Ministry of Civil Affairs and General Political Department of the People's Liberation Army on commending advanced retired army cadres [words indistinct], and presented prizes and certificates of merits to the relevant units and individuals.

Guizhou Military District Cites Lei Feng Spirit

HK1001142090 Guiyang Guizhou Provincial Service
in Mandarin 2300 GMT 9 Jan 90

[Text] The Guizhou Provincial Military District held a mobilization rally yesterday afternoon, calling for its units, militiamen, and reserve force personnel to arouse an upsurge of learning from Lei Feng.

After the provincial military district party committee made a decision last November to promote the activities of thoroughly learning from Lei Feng, officers and men, nonmilitary personnel, cadres of the People's Armed Forces, militiamen, and reserve force personnel took an active part in the activities of learning from Lei Feng. Over the past 2 months, leading cadres at different levels have taken the initiative in learning and practicing the Lei Feng spirit. They have set an example for all units of the district in learning from Lei Feng. Large numbers of officers and men, militiamen, and reserve force personnel, of their own accord, have read books about Lei Feng, have sung songs extolling Lei Feng, have publicized his meritorious deeds, and have followed the road of growing up that Lei Feng followed. When unfolding the activities of learning from Lei Feng over the past few months, all units of the district have done more than 20,000 good deeds for the people.

At the mobilization rally yesterday, Jian Bin, commander of the provincial district, and (Huang Yan), deputy secretary of the provincial military district committee for building spiritual civilization, each announced the decisions on promoting the activities of learning from Lei Feng under the new situation, issued by the Chengdu Military Region Party Committee and the Guizhou Provincial District Party Committee. Guizhou Provincial District Political Commissar Kang Huzhen urged all units to reflect what they have learned from Lei Feng in deeds, to create a strong atmosphere of learning from Lei Feng to promote all fields of work, and to devote themselves to the cause of invigorating Guizhou and making its people prosper.

Guizhou Population Growth Exceeds State Average

HK1101004990 Guiyang Guizhou Provincial Service
in Mandarin 2300 GMT 8 Jan 90

[Excerpt] A provincial meeting to report family planning work, which ended in Zunyi recently, emphatically pointed out: All localities of our province should pay close attention to family planning work and do it well this year; fulfill the task of controlling population growth during the period of economic improvement and rectification; and lay a solid foundation for maintaining a sustained, stable, and harmonious economic development in our province.

Provincial party and government leading comrades Liu Zhengwei, Wang Chaowen, Miao Chunting, Li Jifeng, and Zhang Yuqin attended and addressed the meeting.

The meeting examined and summed up the province's work of family planning and assigned tasks for this year.

The meeting pointed out: The present population situation in our province is still serious. The province's population growth rate is higher than the national average level. This has obviously added difficulties to the province's economic development. Party and government leaders at different levels should have a sober understanding of the issue, seek unity of thinking, and adopt firm and effective measures to gradually put an end to the backwardness of our province, guarantee no big rise in population growth during the period of birth peaks, and control the average annual rate of national population growth under 15 per thousand. [passage omitted]

Tibet CPC Secretary Inspects Gyangze County

HK1101071690 Lhasa Tibet Regional Service
in Mandarin 1130 GMT 10 Jan 90

[Excerpts] From 8 January to 9 January, Hu Jintao, secretary of the Tibet Regional CPC Committee, inspected Gyangze County.

As soon as he arrived, he immediately visited a number of enterprises, towns, townships, and party and government organs, carried out investigations there, and met with the cadres and masses working at the grass-roots level. [passage omitted]

During his inspection, Comrade Hu Jintao said that the purpose was to see the cadres and masses working and to learn from them. [passage omitted]

On behalf of the Tibet Regional CPC Committee, he extended appreciation and holiday greetings to the cadres and masses working at the grass-roots level. [passage omitted]

During his inspection, he also talked with the workers on the construction site of a local reservoir. He listened to the work reports given by the leaders of the Gyangze County's CPC Committee and People's Government. He told the leaders that the 1990's are at once a crucial period for the building of socialism with Chinese characteristics and for building a united, prosperous, and civilized new Tibet. In order to successfully accomplish these tasks, all the comrades must implement to the letter the spirit of the 5th Plenary Session of the 13th CPC Central Committee and the spirit of the 8th Enlarged Plenary Session of the 3rd Tibet Regional CPC Committee. All comrades must work hard to unify the ideology and understanding of the broad masses of cadres and people, according to these two spirits, with a view to mobilizing the enthusiasm of the broad masses of the cadres and people. All comrades must lay a solid ideological foundation for the successful accomplishment of all the tasks planned for the 1990's.

During his inspection, Comrade Hu Jintao stressed that the overriding task at present is to maintain stability and he called on all the comrades to make concerted and unremitting efforts to carry on the struggle against separatism and to strive to maintain regional stability. He said that this remains a long-term task. [passage omitted]

Tibet Military District Commends Units, Comrades

HK1101073190 Lhasa Tibet Regional Service in Mandarin 1130 GMT 10 Jan 90

[Text] During the "27 September Incident" in Lhasa in 1987, PLA troops stationed in Tibet displayed the spirit of unity and of fearing neither hardship nor death. In the struggle, a large number of advanced PLA units, officers, and soldiers emerged.

In order to commend the advanced, to further advocate the spirit of patriotism, to successfully accomplish the task of enforcing martial law in Lhasa, and to resolutely carry on the struggle against separatism and turmoil, Major General Jiang Hongquan, commander of the Tibet Regional Military District, and Major General Zhang Shaosong, political commissar of the Tibet Regional Military District, recently decided to confer the following citations: Merit Citation Class II on the 3d company of a certain unit and on a number of other

units; Merit Citation Class III on the 2d company of a certain unit and on five other units; Merit Citation Class I on Martyr (Yang Yongan), late deputy squad leader of a certain artillery company, and (Liang Jun), company commander of a certain unit; Merit Citation Class II on Brigadier (Wang Shouping) and on six other comrades of a certain unit; and Merit Citation Class III on (Liu Jieyin), head of the Tibet Regional Military District Reconnaissance Department, and on eight other comrades from the same department. All units were under the command of the Lhasa-based martial law enforcement troops.

The circular issued by the Tibet Regional Military District called on the broad masses of officers and soldiers to learn from the aforementioned advanced units and individuals, to adopt a clear-cut stand in the struggle against turmoil and separatism, to strive to safeguard the unification of the motherland and nationality solidarity, and to maintain stability in Tibet.

North Region

RENMIN RIBAO Interviews Tianjin Leader

HK1201071390 Beijing RENMIN RIBAO in Chinese 6 Jan 90 p 2

[Article by staff reporter Xiao Di (5135 5441): "Tianjin in the Face of Challenge—an Interview With Zhang Lichang, Executive Vice Mayor of Tianjin"]

[Text] He has a thin face but he has a pair of bright piercing eyes. His countenance shows that he had spent many sleepless nights recently. He is Zhang Lichang, deputy secretary of the Tianjin Municipal CPC Committee and executive vice mayor in charge of economic work. Tianjin Municipality, while enjoying rising prestige in the country, faced its own difficulties under the economic situation, which was marked by financial and credit retrenchment. Pressure also came from the slack conditions in the markets and the fact that Tianjin could only produce 30 percent of the raw materials it needed.

Faced with such a stern challenge, what posture will Tianjin adopt as it steps into the 1990's?

After this reporter raised this question, Comrade Zhang Lichang smiled and said: "Tianjin also has its own advantages. During the past few years the investment environment and infrastructural construction in Tianjin have made substantial progress; relations between the party and the people are good; the people are united and maintain high morale; reform and opening up started earlier than in other localities; and we are producing a number of high-quality products and have imported some advanced equipment and technology. At the same time, Tianjin has a good tradition of overcoming difficulties. At the same time, we must regard the difficulties as an opportunity and make efforts to raise our work to a new level. First, we should implement the preferential policy

toward different industries, greatly promote the development of advanced technologies, and effectively adjust the production structure. This is an important task we have tried to fulfill, and failed to thoroughly fulfill, for many years past."

In 1990, Tianjin will increase the production of pig iron, steel products, raw salt, automobiles, diesel engines, and sportswear, which are all key products. It will develop 1,200 new products, including digital-controlled hydraulic presses and flat, square color television sets and begin to produce 1,000 of them. Meanwhile, the municipality will restrain the production of 158 products which are high consumers of raw materials and energy and yield poor economic results; and the municipality will stop producing 30 products which are no longer needed in the market.

Every adjustment move may affect the situation as a whole. In order to strengthen overall regulation and control and ensure the fulfillment of the adjustment scheme, the Tianjin Municipal Government has worked strenuously to coordinate all quarters concerned by facilitating the movement of funds and materials. From the vantage of the government building I could see many banks subordinated to different departments. Zhang Lichang personally presided over weekly financial work meetings to make timely arrangements for the use of available funds in the most efficient manner. So far, no stoppage of operations has ever occurred in any large or medium enterprises, key transformation projects, or small enterprises producing promising goods because of lack of funds or raw materials. In Tianjin, tens of enterprise groups producing bicycles, garments, cables, and pumps have raised their business competitiveness even further without spending additional money.

"Could you please comment on the adaptability of Tianjin enterprises in the course of adjustment and rectification?" this reporter asked.

Zhang told this reporter that he learned of the following practice in a factory a few days ago at a meeting: Lighter Plant No 2, which has only 200 workers, has succeeded in lowering production costs by 1.3 million yuan by practicing meticulous thrift in production, thus offsetting the unfavorable factor of the decline in the sales prices of its products. In addition, the cable plant also succeeded in acquiring a good market share by adjusting its product structure ahead of others.

"Adjustment is an urgent task that must be carried out, and it is also complicated and arduous. There are two attitudes toward the economic difficulties. One is to hope for the appearance of a relaxed external environment, or even hope for the emergence of another panic purchase upsurge among ordinary consumers, or simply give up all effort and wait idly for the "improvement" in the conditions. People with this attitude will just idle away their time, and their enterprises may end up being closed during the next 3 years of adjustment. The other attitude is to be determined to develop marketable

products, lower production costs, raise output, improve product quality, and make technological progress, as the abovementioned enterprises have done. to advance to a new level."

Comrade Zhang Lichang has previously been a factory director, a bureau chief, and director of the municipal economic commission, so he knows all advantages and difficulties in industrial production. He said: "When I worked at the seamless tube plant, I realized from my practice that one could attain a new level only when one was faced with difficulties. The enterprises in Tianjin generally consume less water in production, because they were forced to lower their water consumption before the project to channel water from the Luan River into Tianjin was completed; and they consume less coal because they were forced to lower coal consumption last year when there was a shortage of coal. In the 1990's, Tianjin will urge itself to take the new course of sustained, stable, and harmonious development."

Northwest Region

Text of Gansu CPC Committee New Year Message

HK0401030190 Lanzhou Gansu Provincial Service
in Mandarin 1030 GMT 31 Dec 89

[Text] The following is the full text of the New Year Message jointly issued by the Gansu Provincial CPC Committee and the Gansu Provincial People's Government, which is entitled "Welcome the to the Great 1990's":

At a time when we bid farewell to the 1980's and enter the great and hopeful 1990's, the Gansu Provincial CPC Committee and the Gansu Provincial People's Government extend holiday greetings and regards to all the workers, peasants, intellectuals, and patriotic personages of all nationalities working on various fronts of the socialist modernization construction of Gansu Province and to all the PLA officers and soldiers, armed police officers and soldiers, and people's police officers and policemen stationed in Gansu Province. The Gansu Provincial CPC Committee and the Gansu Provincial People's Government would also like to take this opportunity to express their thanks to the foreign friends who have shown concern for and given support to the modernization construction of Gansu Province.

Now, let us have a review of the 1980's: Under the correct guidance of the second generation of China's collective leadership headed by Comrade Deng Xiaoping, by adhering to economic construction as the center and adhering to the four cardinal principles and the policies of reform and opening up to the outside world, the Chinese people have won a great victory in the first phase of China's 3-phase economic development strategy and achieved enormous successes in the building of the socialist spiritual civilization and the building of various undertakings. Fundamental and historical changes have also taken place in our Gansu

Province in the 1980's. In the 1980's, the economy of our Gansu Province has maintained a sustained, steady, and healthy development. We have reaped good grain harvests for seven years running. Gansu Province has also managed to reduce her rural poverty rate from 65 percent to about 14 percent. Gansu's industrial production has maintained an average 10 percent annual increase in the 1980's. Gansu's provincial revenue has maintained an annual increase rate of 12 percent in the 1980's. The livelihood of the people living in the urban and rural areas of Gansu Province has also shown a gradual improvement. Our Gansu Province has achieved one success after another in education, science, technology, culture, public health, sports, and various other undertakings. All these remarkable achievements made by our Gansu Province have created favorable conditions and laid a reliable foundation for the continued improvement of the overall situation and the overall development of our Gansu Province.

Now let us look forward to the 1990's: We are fully confident of our future and will exert ourselves to the utmost to accomplish greater and more arduous tasks. In the next 2 years or more, China will concentrate her efforts on furthering her campaign of improving the economic environment, rectifying the economic order, and deepening the reform in the hope of enabling her national economy to maintain a sustained, steady, and coordinated development. China will endeavor to quadruple her gross national product and enable her people to live a comparatively well-off life by the end of this century. In 1990, our province will do her best to basically solve the problem of feeding and clothing the people in most areas. During the Eighth 5-Year Plan period, in normal harvest years, Gansu Province will try her best to produce sufficient or basically sufficient grain to feed her own people, make sustained efforts to solve the problem of feeding and clothing her people, embark on the path of enabling her people to shake off poverty and live a comparatively well-off life, and accomplish the second-phase tasks of the three-phase economic development strategy. To this end, we must conscientiously implement the principles formulated at the 4th and 5th Plenary Sessions of the 13th CPC Central Committee; adhere to the principle of stability and development; conscientiously accomplish all the tasks presented by the 3d Enlarged Plenary Session of the 7th Gansu Provincial CPC Committee and the Gansu Provincial Work Conference; brace up, strengthen confidence, work hard, tide over current difficulties, and exert ourselves to the utmost to successfully accomplish our various tasks in a down-to-earth manner in 1990; further push ahead with the campaign of improving the economic environment, rectifying the economic order, and deepening the reform; and further promote the building of the socialist spiritual civilization on the premise of maintaining social stability.

The fundamental guarantee for the smooth progress of all of our work and the successful fulfillment of all our tasks is maintaining, obeying, promoting stability. At a

time when the new year is approaching, we should at once fully affirm the achievements we have made in maintaining the political and economic stability in our province and clearly understand our current difficulties and problems. We must consider carefully and make unremitting efforts to resolve such economic problems as imbalance between supply and demand, inflation, improper production ratio, and so on. We should consider and resolve weak links and problems in respect to the building of the socialist spiritual civilization, party style, general mood of the society, and so on. In light of the realities of our Gansu Province, we must continue to steadfastly implement the basic line of "one center, two basic points," and stabilize the policies, popular feeling, political situation, and social order. We must make redoubled efforts to strengthen ideological and political work and the building of the spiritual civilization; carry out education on adhering to the four cardinal principles and opposing bourgeois liberalization in breadth and depth; carry out education on socialism, patriotism, self-reliance, and hard struggle; carry out education on revolutionary traditions; and carry out education on the current situation and policies. We must unify the ideology of the all the CPC members and the broad masses of the cadres, according to the spirit of the 4th and 5th Plenary Sessions of the 13th CPC Central Committee; further strengthen party building and the CPC leadership; eliminate all types of corrupt phenomena; improve the work style of leaders; show more concern for the broad masses of the people; help the broad masses of people and the grass-roots level solve their problems; further strengthen inner-party unity; nationality solidarity, unity between the army and the government, and unity between the army and the people; further strengthen relations between the cadres and the masses; and consolidate and develop the political situation of stability and unity.

Economic stability is the basis of social stability and political stability. Therefore, we must make resolute efforts to consolidate our agricultural basis; accelerate exploitation of natural resources; perfect our industrial structure; step up infrastructural construction; increase economic results; maintain an appropriate economic development speed; enable the overall provincial national economy to realize a sustained, steady, and coordinated development; and continuously improve the material life and the spiritual life of the broad masses of people in the hopes of enabling the broad masses of people to shake off poverty, become prosperous, and concentrate their efforts on developing productive forces. In the course of improving the economic environment, rectifying the economic order, and deepening the reform, we must adhere to the principle of acting according to our capability. We must make progress amidst stability, control demand, exercise flexibility while implementing the retrenchment policy, greatly develop agriculture, consolidate agricultural basis, develop advantages, carry out coordinated development, rely on science and technology, develop education, tide over current difficulties in a down-to-earth manner, and realize our short-term goals and long-term goals step by step.

Our socialist modernization construction and socialist reform are great causes for the broad masses of the people under the leadership of the CPC. So long as we rally closely around the third generation of the CPC collective leadership headed by Comrade Jiang Zemin, adhere to and strengthen the CPC leadership, adhere to the road of building socialism with salient Chinese characteristics, and unite and lead the people of all nationalities in our Gansu Province to work hard and bravely strive forward, we will certainly be able to successfully accomplish all the tasks we have set for the year 1990 and achieve more and greater successes in building the socialist material civilization and the socialist spiritual civilization in the great 1990's.

Gansu Secretary Views Public Security Work

HK1001071390 Lanzhou Gansu Provincial Service in Mandarin 1030 GMT 9 Jan 90

[Text] The 5-day Gansu Provincial Conference on Public Security Work-related Ideological Work concluded in Lanzhou this afternoon.

The conference summed up the situation and experiences of the provincial public security work-related ideological work over the past few years, correctly analyzed the realities of the provincial public security contingent, and studied the ways and means aimed at strengthening and improving the provincial public security work-related ideological work.

Li Ziqi, secretary of the Gansu Provincial CPC Committee, attended and delivered a speech at the conference. Comrade Li Ziqi fully affirmed the contributions made by the broad masses of the police officers, policemen, armed police officers, and armed policemen in stabilizing the provincial situation and promoting the provincial economic development.

On the question of how to strengthen the provincial public security work-related ideological and political work and to improve the combat effectiveness of the provincial public security contingent, Comrade Li Ziqi said that at present, an overriding task for the provincial public security work-related ideological and political work is to publicize and implement the spirit of the 5th Plenary Session of the 13th CPC Central Committee. The leaders of all public security organs in Gansu Province should conscientiously study the basic theories of Marxism, Leninism, and Mao Zedong Thought, constantly carry out ideological and discipline education, education on professional morality and responsibilities, and education on serving the people heart and soul among the broad masses of the police officers and policemen, rely on the spirit of devotion, strengthen the organization building of the provincial public security work at the grass-roots level, strengthen the building of party spirit, eliminate corruption, and honestly perform duties. This will improve the image of the people's police among the broad masses of the people and build the provincial public security contingent into a staunch

contingent with a firm political stand and strict disciplines, which is capable of strictly enforcing the law, honestly performing duties, and effectively fighting against the enemy.

Chief Procurators' Forum Held in Gansu

HK0301001890 Lanzhou Gansu Provincial Service in Mandarin 1030 GMT 29 Dec 89

[Text] A provincial meeting of chief procurators, which closed today, suggested that procuratorial organs focus their attention on the following major tasks next year: 1) to persistently carry out the struggle against graft and bribery; and 2) to ferret out criminal elements who stirred up turmoil, to continue to promptly and ruthlessly crack down on criminal offenses in accordance with the law, and to maintain political and social stability.

The meeting urged procuratorial organs at all levels throughout the province to mend their pace next year in handling cases involving those who give up and frankly confess their crimes to the authorities, and to do their best to clear up all these cases by the first quarter of next year. In handling these cases, in general, the procuratorial organs must implement the principle of leniency. But leniency must be given within the limits of the law. Meanwhile, in compliance with the party's policy and in order to bring the role of the policy into full play, the organs concerned must also mend their pace in handling those cases that deserve severe punishment according to the law. It is necessary to seriously and carefully treat complaints lodged by the masses, and to investigate in earnest every detail of the reported cases so as to keep up the masses' enthusiasm and initiative. It is necessary to deal severe blows to criminal activities that are aimed at retaliating against informers, and it is also necessary to severely punish those who slander and frame others by lodging complaints. On the other hand, it is necessary to strengthen anticorruption investigation task forces. In this connection, the provincial People's Procuratorate will set up an anticorruption investigation bureau, and prefectural and city procuratorates should also set up their own organizations accordingly.

The meeting required procuratorial organs at all levels to resolve major social order problems in light of local circumstances, closely cooperate with the departments concerned in handling special cases, ruthlessly crack down on serious criminal offenders, and thus inhibit the rising trend of occurrences of major cases. They should also help boost agricultural production, actively assist public security departments in fighting the six vices and pornography, and deal severe blows to those criminals who cheat peasants out of money in selling fake agricultural chemicals, chemical fertilizer, and seeds.

Provincial Party Committee Secretary Li Ziqi, Governor Jia Zhijie, and member of the Standing Committee of the Provincial Party Committee Wang Zhanchang attended and addressed the meeting.

Qinghai Leader Discusses 'Unhealthy Phenomena'

HK0301082590 Xining Qinghai Provincial Service in Mandarin 2300 GMT 1 Jan 90

[Text] While Yin Kesheng, secretary of the provincial party committee, was recently talking about the issue of strengthening cadres' study of theory in the party school of the provincial party committee, he stressed: In the course of studying theory, cadres must link their study with reality, attach importance to the transformation of their world outlook, and firmly establish the idea of wholeheartedly serving the people.

Yin Kesheng said: The ranks of cadres of our province are, on the whole, good. They cherish a deep affection for the party and socialism and always keep politically in line with the CPC Central Committee. They have a strong spirit of bearing hardships and dedicating themselves. Many comrades have worked conscientiously in Qinghai for several decades.

He pointed out at the same time: As ideological education has been relaxed these years, some unhealthy phenomena have appeared among the ranks of cadres. To put it briefly, the interests of individuals have been taken more into consideration, but the interests of the party and country have been taken less into consideration. Selfish ideas have developed. A tiny number of people have asked for official posts from the upper levels and for money from the lower levels. They have sought democracy and freedom more than they have sought centralism and discipline, and many of them have thought of personal fame and profit, and few have thought of other people before themselves or have conceded honor to other people.

Yin Kesheng said: To overcome this phenomenon of three mores and three lesses, the basic method is to study and practice. It is imperative to vigorously advocate that cadres should study Marxism-Leninism-Mao Zedong Thought, go deep into reality, and attach importance to practice. We must improve ourselves in the course of study and temper ourselves in the course of practice. Through study and practice, we must establish and master the world outlook and methodology of dialectical materialism and historical materialism, strengthen our awareness for transforming the subjective world and our initiative for transforming the objective world, and achieve results in the specific actions of serving the people.

Qinghai Leaders Visit Armed Police Force

HK1101042690 Xining Qinghai Provincial Service in Mandarin 2300 GMT 9 Jan 90

[Text] On the afternoon of 3 January, provincial party and government leaders, including (Heng Zhengren), member of the Standing Committee of the Qinghai Provincial CPC Committee and concurrently secretary of the Politics and Law Commission of the Qinghai Provincial CPC Committee; Ma Bingli, vice governor of Qinghai Province; and some others, went to see the

officers and soldiers of a motorized armed police detachment and urged them to work hard to become the main force in maintaining social order in the Xining area.

The main responsibility of the motorized armed police detachment is to patrol the Xining area. Since the last 10 days of December, 1989, the motorized armed police detachment has begun sending its officers and soldiers to help the public security organs in Xining City step up the struggle against the six vices. Since then, the officers and soldiers of the motorized armed police detachment have carried out both motorized patrol and patrol on foot in all the main streets and lanes in Xining City, both during the day and at night. The motorized armed police detachment has sent a total of more than 2,400 of its officers and soldiers and more than 170 of its vehicles to Xining City on a number of occasions, carried out more than 340 patrols in Xining City, arrested more than 40 criminals, and captured a number of tools or weapons for criminal purposes.

After listening to a report given by the commander of the detachment, Comrade (Heng Zhengren) expressed thanks to all the officers and soldiers of the motorized armed police detachment for their great contributions to the maintenance of social order in the Xining area.

Comrade (Heng Zhengren) said that with the arrival of the impending Chinese New Year, all the officers and soldiers of the provincial armed police forces are now shouldering a heavier task of maintaining social order during the Chinese New Year period and must thereby make greater contributions to stabilizing the social order in the Xining area.

Comrade (Heng Zhengren), Comrade La Bingli, and some other provincial party and government leaders also showed great concern for the building of the motorized armed police detachment and went to see the dormitories of the armed police officers and soldiers. The provincial leaders urged the leaders of the motorized armed police detachment to work hard together and make concerted efforts to further improve the building of the detachment in 1990.

Shaanxi Leaders Visit Cadres, Workers 1 Jan

HK0401043590 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 2 Jan 90

[Excerpts] Yesterday afternoon, Comrade Zhang Boxing, secretary of the provincial party committee, came to the Xian Iron and Steel Plant to visit the workers and cadres. He and the plant leaders held a forum. [passage omitted]

At the forum, the plant leaders gave reports on the Xian plant situation in completely fulfilling the quotas for the output value, profits, and taxes. Comrade Zhang Boxing was very happy, extended greetings, and wished all people throughout the province a Happy New Year.

Comrade Zhang Boxing said: 1990 is a year of [words indistinct]. We must seriously implement the spirit of

the 5th Plenary Session of the 13th CPC Central Committee, unswervingly safeguard stability and unity, adhere to one center and two basic points, and promote economic construction. It is necessary to do very well in grasping improvement and rectification, [words indistinct], to strengthen the industry mix, and to pay attention to the order of the circulation sphere. It is essential to strengthen the building of socialist democracy and the legal system so as to allow the masses to enjoy full democratic rights. We must strengthen party building, particularly the building of the leadership groups at all levels, and put leadership firmly in the grasp of the

Marxists. We must carry forward the Yanan spirit, [words indistinct], and be on guard against the attack with sugarcoated bullets. [passage omitted] So long as our upper and lower levels unite as one and work hard, we can surely do well in improvement, rectification, and deepening reform—storming heavily fortified positions.

Secretary Zhang Boxing was accompanied to the Xian Iron and Steel Plant by [name indistinct] and (Zhang Tingying), director of the provincial department of the metallurgical industry.

Mainland Dissidents Plan Opposition Party

OW0401063590 Taipei CNA in English 1556 GMT
3 Jan 90

[Text] Kaohsiung, Southern Taiwan, Jan 3 (CNA)—The head of the 40,000-member Independent Federation of Chinese Students and Scholars (IFCSS) in America said here Wednesday that the pro-democracy organization would work to establish an opposition party on the Chinese mainland.

Liu Yung-chuan, chairman of the umbrella organization of Mainland Chinese student associations throughout the United States, told reporters during a visit to National Kaohsiung Institute of Technology that developing an opposition force on the mainland is the IFCSS's long-term goal.

Chapters of the IFCSS, established after the Chinese Communist regime brutally crushed the student democracy movement in early June, have contacted and exchanged information with each other through telephones, facsimile machines and computer networks, he said.

Liu is head of a four-member IFCSS mission in Taiwan on a fact-finding visit which aims to gain an in-depth understanding of the ROC's political, economic and social developments during the past four decades.

This was the first time that the IFCSS had sent a mission to visit Taiwan. "More will come," Liu told reporters.

President, U.S. Congressmen View Bilateral Ties

OW0801225390 Taipei CNA in English 1507 GMT
8 Jan 90

[Text] Taipei, Jan. 8 (CNA)—President Li Teng-hui received U.S. Congressmen Paul Henry and George Hochbrueckner and their wives at the presidential office Monday for an exchange of views on ways to strengthen ROC-U.S. relations.

Li said that the ROC's high educational achievement, the public's strong desire to participate in politics, and the ROC's economic prosperity have contributed to the success of the nation's political reforms.

Congressman Henry admired the achievements of the "Taiwan experience" and its possible effect on China unification. He also said that U.S. foreign trade deficit was still a major concern of the U.S. Government and people.

Li Teng-hui Comments on East European Impact

OW1101033490 Taipei CNA in English 0256 GMT
11 Jan 90

[Text] Taipei, Jan. 11 (CNA)—The democratizing trend in Eastern Europe will create political instability in Communist China and help the Republic of China's

[ROC] unification cause, Chairman Li Teng-hui of the ruling Kuomintang [KMT] said Wednesday.

Speaking to the KMT Central Standing Committee, Li said that fast changes in East Europe, heralding the eventual collapse of communism, have had a great impact on Communist China.

The government is closely watching developments on the mainland, hoping that the country can be unified at an early date under a free and democratic system with an equitable distribution of wealth, Li said.

Chairman Li, concurrently president of the ROC, made the remarks after hearing Director Cheng Hsin-hsiung of the KMT Department of Mainland Operations report on "communist Chinese responses to changes in Eastern Europe."

Cheng said Communist China had attributed events in the East bloc countries to the "long-time peaceful aggression of Western capitalism and the indulgence" of Soviet leader Mikhail Gorbachev.

Because of Eastern Europe's "deviation from the socialist road," Chinese communist authorities are tightening their ideological grip on ranking cadres and strengthening political indoctrination programs for the Armed Forces, Cheng pointed out.

In short, Peking is doing all it can to stop the democracy movement from occurring again at this sensitive moment, Cheng added.

Peking is most afraid now of political upheavals, a military coup d'etat and peaceful evolution, according to Cheng.

He predicted that the pro-democracy movement would rise again on the first anniversary of the Tiananmen tragedy on June 4, 1989, when the movement was brutally crushed.

Last year's democracy movement started with the commemoration of Hu Yao-pang, the deposed Communist Party general secretary who died in April. This year, mainland Chinese students and intellectuals may call for rehabilitation of Hu's replacement, Chao Tzu-yang, Cheng suggested.

Trade With East European Nations Grows

OW1101033390 Taipei CNA in English 0259 GMT
11 Jan 90

[Text] Taipei, Jan 11 (CNA)—Trade between the Republic of China [ROC] and East European nations exceeded \$500 million in the first 11 months of 1989, up 31 percent from the same period of 1988, the Board of Foreign Trade [BOFT] said Wednesday.

According to BOFT, ROC exports to Eastern Europe in the first 11 months of 1989 totaled \$149 million, up 8.6

percent. Imports from East European nations amounted to \$350 million, up 16 percent, leaving a \$200 million trade deficit for the ROC.

BOFT statistics indicated that the Soviet Union was the ROC's biggest Eastern bloc trading partner in 1989 with two-way trade totalling \$127 million, followed by Poland at \$116 million, and East Germany at \$100 million.

Overall Non-EEC Trade Grows 6.9 Percent

*OW0601134790 Taipei CNA in English 1005 GMT
6 Jan 90*

[Text] Taipei, Jan. 6 (CNA)—The ROC's [Republic of China's] overall trade with the non-European Economic Community [EEC] countries in the January-November period last year was valued more than 2.81 billion U.S. dollars, officials of the Board of Foreign Trade [BOFT] said.

They also said that the total amount of bilateral trade with the non-EEC camp in the eleven-month duration represented a proportion of 16 percent from the nation's whole trade value with Europe worth over 17.62 billion U.S. dollars.

The European transactions tallied an excess of 1.13 billion U.S. dollars or a growth of 6.9 percent against the value of 16.49 billion U.S. dollars carried out in the like months in 1988.

According to the official statistics released by the private Euro-Asia Trade Organization and the Board of Foreign Trade, the top trade governing body here, the two-way trade deal with non-EEC sustained a boost of 137.6 million U.S. dollars for a growth of 5.1 percent.

In connection with the prices two years ago, the outbound shipments from the ROC to the non-EEC group and the inbound shipments to this country in the January-November months were listed at 2.67 billion U.S. dollars.

Exports to non-EEC importers and manufacturing firms registered a total price tag of 1.15 billion U.S. dollars, increasing by 217.2 million U.S. dollars or a lift of 23.1 percent over 941.5 million U.S. dollars in 1988.

As far as imports from the non-EEC suppliers were concerned, the ROC purchased goods totaling 1.65 billion U.S. dollars which posted a negative growth of 4.6 percent, or 79.6 million U.S. dollars less than the amount for the 1988 record.

A couple of years earlier, the non-EEC goods delivered to the ROC hit 1.73 billion U.S. dollars, the official tabulations showed.

Among the major trading partners in the non-EEC circle, Switzerland engaged in trade chalking up 80.9 million U.S. dollars, accounting for 5.6 percent of the ROC's total trade with the European nations in the January-November period.

Official Trade Mission to Eastern Europe Planned

*OW0401062890 Taipei CNA in English 1520 GMT
3 Jan 90*

[Text] Taipei, Jan. 3 (CNA)—The Economics Ministry is considering sending official economic and trade missions to Eastern European countries to initiate important procurement programs and to discuss investment and technological cooperation projects.

Vice Economics Minister Chiang Pin-kung pointed out Wednesday that previous missions to Eastern Europe were organized by the private sector. "We expect better results if future missions are upgraded to official levels," he said.

Chiang indicated that he was willing to personally lead the next Republic of China mission to Eastern Europe to discuss not only bilateral trade but also investment and technological cooperation. As state-run enterprises are now being privatized step by step, the Economics Ministry has tentatively decided to allow them to buy agricultural and industrial materials as well as machinery from Eastern European countries, he said.

North Korean Trade Prospects Assessed

*OW0401063390 Taipei CNA in English 1545 GMT
3 Jan 90*

[Text] Taipei, Jan 3 (CNA)—Although the Government of the Republic of China bans direct trade with North Korea, the Board of Foreign Trade [BOFT] has begun to assess North Korean economic policy and potential trade opportunities with that socialist neighbor, a BOFT official said Wednesday.

The official said that with socialist countries increasingly adopting democratic systems and an anticipated rapprochement between North and South Korea, BOFT should use the occasion to explore two-way trade possibilities between this nation and North Korea.

Tapping North Korean markets will encounter many difficulties, however, since North Korea is chronically short of foreign reserves, the official said.

Singapore Prime Minister Plans 5-Day Visit

Announces Visit

*OW0301114590 Taipei CNA in English 1019 GMT
3 Jan 90*

[Text] Singapore, Jan. 3 (CNA)—Singapore Prime Minister Lee Kuan Yew will fly to Taipei Thursday on a 5-day "private" visit to the Republic of China. [ROC]

Accompanying Lee during the visit, his 19th this time, will be Mrs. Lee and several ranking Singaporean officials, including Ong Teng Cheong, second deputy prime minister and Peter Sung, minister of state for foreign affairs and national development.

Lee is expected to meet ROC leaders to exchange with them views on matters of mutual concern during his stay in Taipei.

They will also make vacation tour of several scenic spots in Taiwan. They are scheduled to leave Taipei on Jan. 8.

Chiang Hsiao-wu, ROC trade representative in Singapore, returned to Taipei Tuesday to make preparations for Lee's visit.

So far, the Singapore Government has not issued any news statement on Lee's visit to the ROC.

Prime Minister Arrives

*OW0401180490 Taipei CNA in English 1554 GMT
4 Jan 90*

[Text] Taipei, Jan 4 (CNA)—Singapore's Prime Minister Lee Kuan Yew and his wife flew into Taipei Thursday afternoon for a five-day visit to the Republic of China on Taiwan.

Upon their arrival at the Chiang Kai-shek International Airport, Lee and his entourage were warmly greeted by Premier Li Huan, senior presidential advisor Yu Kuohwa, Foreign Minister Lien Chan and other ranking ROC officials.

The Singaporean prime minister did not meet the president and immediately proceeded to the Grand Hotel where Li Teng-hui later hosted a dinner in honor of his distinguished guests.

President Li, on behalf of ROC citizens, extended a whole-hearted welcome to the prime minister and hoped he and his party, scheduled to visit several scenic spots in southern and eastern Taiwan, would have a good time here.

The Singapore leader will also pay courtesy calls on President Li, Premier Li Huan and Foreign Minister Lien Chan.

Local [words indistinct] reported that the Singapore prime minister would touch on his country's attempts to establish official links with the Chinese Communist regime during his talks with President Li.

Chiang Hsiao-wu, ROC trade representative in Singapore, told the press at the airport that in addition to meeting his old friends here, Lee would exchange views with the ROC chief of state on the current international situation.

He stressed that since Singapore was a member of the Association of Southeast Asian Nations (ASEAN) and the regional organization had decided to establish diplomatic ties with the Peking regime, the Republic of China was not in a position to comment on Singapore's foreign policy.

The ROC does not maintain diplomatic relations with Singapore but ties between Taipei and Singapore have been close and cordial.

Whatever the changes, Chiang claimed, cordial ROC-Singapore ties would remain firm, even after Lee Kuan Yew has stepped down before the end of 1990.

He added that the current "Starlight Project," under which thousands of Singaporean military personnel are being trained here, would also be maintained.

Chiang's views were echoed by Singapore minister of state for foreign affairs and national development, Peter Sung, who called on Minister Lien Chan shortly after his arrival in Taipei.

Sung pointed out, however, that his government did not yet have a definite schedule for establishing diplomatic links with the Peking regime.

Singapore Second Deputy Prime Minister Ong Teng Cheong is also accompanying Prime Minister Lee on his present visit.

Premier Hosts Dinner

*OW0501175290 Taipei CNA in English 1547 GMT
5 Jan 90*

[Text] Taipei, Jan. 5 (CNA)—Premier Li Huan told Singapore's Prime Minister Lee Kuan Yew Friday that he hoped increased efforts would be made to cement already cordial relations between the Republic of China and Singapore.

Speaking at a dinner held to honor the Singaporean prime minister and his spouse, Premier Li said, "This is Prime Minister Lee's 19th visit to the nation and both the people and Government of the Republic of China very much treasure his profound friendship."

Premier Lee said he sincerely hoped that great efforts to work together would benefit both countries in coming years.

The Singaporean prime minister and his wife flew into Taipei Thursday for a five-day visit.

Tour of Defense Project

*OW0701182990 Taipei CNA in English 1418 GMT
7 Jan 90*

[Text] Hualien, Eastern Taiwan, Jan. 7 (CNA)—Singaporean Prime Minister Lee Kuan Yew, accompanied by Premier Li Huan and Defense Minister Hau Pei-sun of the Republic of China, Sunday visited the nation's Chiashan defense project now under construction in eastern Taiwan.

Defense Minister Hau briefed Lee Kuan Yew on the project before Lee began his one-hour observation tour of the project.

Earlier in the day, Lee Kuan Yew and his wife toured scenic spots and a cattle ranch in Taitung for half a day in the company of Premier Li Huan and senior adviser to the president Yu Kuo-hwa.

In the afternoon, Lee returned to Taipei by a special plane.

Lee Kuan Yew is currently on a five-day visit to the Republic of China. He and his party are scheduled to leave here Monday.

Haitian President Arrives on Official Visit

*OW1101131590 Taipei CNA in English 1133 GMT
10 Jan 90*

[Text] Taipei, Jan. 10 (CNA)—Haitian President Prosper Avril, leading a large entourage, arrived in Taipei Wednesday afternoon for a five-day official visit here.

Foreign Minister Lien Chan greeted the Haitian president at Chiang Kai-shek International Airport at 1:10 p.m. President Avril then proceeded to Taipei's Sungshan Airport where President Li Teng-hui met him for full honors.

President Li said that Avril's visit here would further strengthen cooperative relations between the two nations and write a new chapter in bilateral relations.

President Li lauded Avril as an outstanding national leader of the Haitian people, and a statesman in Central America.

Li also said that although ROC [Republic of China] and Haiti were far apart geographically, their stand to pursue democracy and to uphold rule of law are the same.

President Avril said that his visit will allow him to better understand the ROC's success story. He hoped the visit will further promote cooperative relations between the two countries.

At the welcome ceremony, Taipei Mayor Wu Poh-hsiung presented the key to Taipei to Avril to welcome him. Avril also received hails from more than 1,000 primary and junior high school students who waved national flags of both nations.

Austrian Parliamentarian Arrives for Visit

*OW0301063590 Taipei CNA in English 0303 GMT
3 Jan 89*

[Text] Taipei, Jan 3 (CNA)—Dr. Norbert Gugerbauer, parliamentarian and deputy chairman of the Freedom Party of Austria, and his wife are arriving in Taipei Wednesday for a nine-day visit.

During their stay in the Republic of China, Dr. and Mrs. Gugerbauer will call on Legislative Yuan President Liu

Kou-tsai, Foreign Minister Lien Chan, Defense Minister Hau Pei-tsun, and ranking officials of the Kuomintang.

Greek Parliamentarians Arrive on 7-Day Visit

*OW0701182690 Taipei CNA in English 1424 GMT
7 Jan 90*

[Text] Taipei, Jan. 7 (CNA)—A seven-member parliamentary delegation of the New Democratic Party, Republic of Greece, led by parliamentarian Virginia Tsouderos, arrived in Taipei Sunday for a seven-day visit.

During its visit, members of the delegation will call on Fredrick F. Chien, chairman of the Council for Economic Planning and Development; Vice Foreign Minister Chen Chien-jen, and other high-ranking government officials.

They will also visit the cultural and economic institutions of the Republic of China and are scheduled to leave here on Jan. 13.

1989 Foreign Investment Doubles Over 1988 Figure

*OW0501222290 Taipei CNA in English 1132 GMT
5 Jan 90*

[Text] Taipei, Jan. 5 (CNA)—Foreign investment in Taiwan totaled a record 2.3 billion U.S. dollars in 1989, twice that of the previous year, according to John Ni, director general of the Industrial Development and Investment Center (IDIC).

Ni said he believed that this year's performance would be even better. According to Ni, the IDIC would take steps this year to promote both foreign investment here and Taiwan investment abroad.

To help stimulate investment on the island and hasten the upgrading of local industry, the IDIC will seek to remove barriers that have hindered investment and to woo overseas high-technology companies to invest here, Ni said.

The island managed to maintain 7 percent economic growth last year, although the local investment environment has deteriorated over the past two years, he said.

According to Ni, statistics show that overseas investment came mostly from the United States and Japan. This indicates that investors from those countries are still optimistic about the island's investment environment.

Ni cited ongoing major investment projects of U.S.-based 3M and Texas Instruments, Britain's ICI, and West Germany's MBB as testament that the local investment environment remains attractive.

Ni said the IDIC would take the initiative in wooing selected foreign manufacturers to invest here. This effort will be based on IDIC's determination of what technology local manufacturers require to upgrade their manufacturing facilities, he said.

Hong Kong**Further Reportage on Governor's Visit to PRC****Governor, Li Hou Describe Talks**

*HK1201101090 Beijing ZHONGGUO XINWEN SHE
in Chinese 1320 GMT 11 Jan 90*

[Report by reporter Li Wei (2621 0251): "Li Hou Describes Relations Between Hong Kong and the Mainland as Rain Haven Fallen But With the Weather Still Not Fine"]

[Text] Beijing, 11 Jan (ZHONGGUO XINWEN SHE)—At the beginning of talks with Governor of Hong Kong Wilson this afternoon, Li Hou, deputy director of the Hong Kong and Macao Affairs Office of the State Council, said: The relations between Hong Kong and the mainland may be accurately described as follows: "The rain has not been so heavy. But the weather is still not all fine." The task now is to "strive to dispel the clouds and mists to reveal a clear sky."

He said: In Guangzhou, I said that the relations between Hong Kong and the mainland had reached the stage where the rain should give way to a clear sky. This was expressing a wish. But some newspapers quoted me as saying "The rain has given way to a clear sky." This was not an entirely accurate report.

Governor Wilson told Li Hou that he was very happy to come to Beijing again to exchange views on problems of common concern to both sides and to resume constructive dialogue.

After the conclusion of the talks, which lasted 2 hours and 55 minutes, Li Hou and the governor of Hong Kong made short comments on the talks.

Li Hou said: I told Sir David Wilson about the meetings of various sub-groups of the Committee for the Drafting of the Basic Law of the Hong Kong Special Administrative Region, recently held in Guangzhou, and about the views on revisions in preparing the Basic Law (Draft). The two sides held beneficial and pragmatic discussions. The meeting will help chase away the clouds and mists to reveal a clear sky.

The governor of Hong Kong said: Both sides held beneficial and pragmatic discussions on many problems of common concern. The discussions were held in a good atmosphere.

Also attending the talks was Lu Ping, deputy director of the Hong Kong and Macao Affairs Office of the State Council.

The talks were held at the Diaoyutai State Guesthouse.

Beijing Calls Talks Useful

*HK1201045490 Beijing CHINA DAILY in English
12 Jan 90 p 1*

[By staff reporter Zhang Ping]

[Text] Senior Chinese leaders in charge of Hong Kong affairs held talks with the visiting Hong Kong Governor Sir David Wilson yesterday in Beijing and both sides said the talks were "useful and beneficial."

Vice-Foreign Minister Zhou Nan met with Sir David yesterday morning and said, after a three and half hour talk, that "the meeting had covered nearly all the issues concerned by both sides at the moment."

Zhou described the discussion as "frank and in-depth."

Sir David said that the discussion has been useful in getting a better understanding of the position of both sides.

Yesterday evening, Ji Pengfei, director of State Council's Hong Kong and Macao Affairs Office also met Sir David at the Diaoyutai State Guesthouse.

In another meeting, Li Hou, deputy director of the Office described the present relations between Hong Kong and the mainland as that "the storm is over, but the sky is not yet completely clear." He said that he didn't quite agree with some reports that describe the relationships between Hong Kong and the mainland as "the sky has become clear after the storm."

Sir David told Li that he is glad to be in Beijing again to exchange views over issues of common concern and to restore constructive dialogue.

When talking about the meeting to reporter, Li said that he briefed the Hong Kong Governor on the results of the recent specific groups' conference of the Hong Kong Basic Law Drafting Committee, held in Guangzhou, and also on some suggestions that would be put forward by the Committee on the amendment of the Basic Law.

He said that both sides agree that they had held useful and pragmatic talks at the meeting, which would "help to disperse the clouds and unveil the blue sky."

Deputy Director of the office Lu Ping was also present at the meeting.

Sir David arrived in Beijing on Wednesday afternoon and is to leave for Hong Kong today.

This is the Hong Kong Governor's first visit to the mainland since last June.

Disagreement With Li Hou

*HK1201013790 Hong Kong SOUTH CHINA
MORNING POST in English 12 Jan 90 pp 1, 6*

[By Chris Yeung in Beijing]

[Text] The Governor, Sir David Wilson, hit the first snag in his mission to restore relations with China yesterday when he was engaged in a dramatic verbal clash with senior Chinese official, Mr Li Hou, over anti-Beijing protests in Hong Kong.

In a surprise move, Mr Li told Sir David in public that a recent pro-democracy rally in the territory would affect the normalisation of Sino-Hong Kong relations.

He said there were still people in the territory causing trouble.

"For instance, some people on New Year's Day chanted 'Down with the so-called Ceaucescus in China'."

Launching his verbal joust, Mr Li said this was more rain "which is not too big and not too small."

"What we have to do now is to clear away the clouds so we can see the clear blue sky."

"I've said in Guangzhou (in November), concerning Sino-British and Sino-Hong Kong relations, that it's time we should have a clear sky after the rain."

"Some newspapers said its already a clear sky but this is not entirely accurate."

"Last month, I told a delegation of journalists that the rain has stopped but the sky is yet to become clear... But recently, some people were creating wind and rain," he said.

A serious-looking Sir David was apparently taken aback by Mr Li's remarks.

In response, he pointed to the need to "distinguish between a small shower of rain and a typhoon and not to get confused with the two."

Sir David said: "I'm not an expert on weather forecasts. But we are almost at the end of the winter and spring is coming round."

"We'd like to be in the period of spring weather."

But Mr Li chipped in: "Small showers of rain will become typhoons if they are not given immediate attention. That's what we have to work hard to prevent—further rain."

The stormy exchange, clearly referring to Hong Kong pro-democracy activities, which China has branded as subversive, erupted during a photo call before formal talks between Mr Li and Sir David at the Diaoyutai guesthouse.

Mr Li, deputy director of the State Council's Hong Kong and Macao Affairs Office, was referring to a protest march organised by the Hong Kong Alliance in Support of the Patriotic Democratic Movement in China on New Year's Day outside the New China News Agency's [XINHUA] headquarters in Happy Valley.

More than 10,000 protesters chanted slogans such as "Down with the Ceaucescus in China" and "Down with the Deng-Li-Yang clique."

In Hong Kong last night, an organiser of the New Year's Day march, unionist Mr Lau Chin-shek, said there was "neither heavy rain nor strong wind, but only spring showers which will nourish the land."

Mr Li's thinly-veiled attack on the Alliance, chaired by Hong Kong legislator, Mr Szeto Wah, indicated that differences still remained over the Government's handling of pro-democracy activities in the territory.

The Hong Kong Government has maintained that the territory has never been used as a base for subversion against China.

But Beijing apparently fears that a quicker pace of democratic reforms would open the way for liberals who are closely associated with the Alliance to dominate the future Special Administrative Region government.

The Basic Law Drafting Committee, on which China holds the majority, has tentatively confined the number of directly elected seats to the legislature in 1997 to 18, or 30 percent of the assembly.

Emerging from yesterday's three-hour talks with Mr Li and another Chinese official, Mr Lu Ping, Sir David remained tight-lipped on whether he had put forward a more liberal political model, the Omelco consensus.

He would only say: "We've had a very useful and practical discussion on a number of matters of mutual concern, including discussion on the Basic Law and the progress in drafting."

"The discussion was held in a good atmosphere... I'd like to leave the details at the end of the series of discussions."

Mr Li, on the other hand, would only say he had briefed Sir David on the decisions and amendments made by the Basic Law Drafting Committee's subgroups during their recent sessions.

He stressed, however, differences could be narrowed through dialogue.

"Over the past few years, we had been keeping constant contact which was beneficial to both sides. We hope that in the near future we can restore such close contact," said Mr Li.

Sir David agreed and said discussions would help re-establish a constructive dialogue to deal with practical issues facing the territory.

Both Mr Li and Sir David concurred that they had a "useful and practical discussion."

Mr Li said: "Our talks will be advantageous in clearing the clouds in order to see a clear sky. This is what I meant useful."

Before the stormy session, Sir David had met his host, the Vice-Foreign Minister, Mr Zhou Nan.

Speaking after the 3-1/2-hour talks at the Foreign Ministry, Mr Zhou said they had a frank and in-depth exchange of views over almost all issues facing both sides.

Both Mr Zhou and Sir David described the talks as "useful."

Sir David said: "It's useful for both sides to get a better understanding of the position from both sides."

He and his entourage were accompanied by the British Ambassador to China, Sir Alan Donald, during the two rounds of talks.

Sir David will meet the Prime Minister, Mr Li Peng, at Zhongnanhai this morning before returning to Hong Kong.

Governor Meets Li Peng

HK1201084690 Beijing ZHONGGUO XINWEN SHE
in Chinese 0704 GMT 12 Jan 90

["Li Peng Meets With Hong Kong Governor David Wilson"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 12 Jan (ZHONGGUO XINWEN SHE)—This morning, Chinese Premier Li Peng had a 100-minute meeting with Hong Kong Governor Sir David Wilson. He said that he was glad to see that the positions of two sides had gradually moved closer to each other on some issues.

Li Peng said: China is always concerned about Hong Kong's prosperity and stability. Hong Kong's prosperity and stability are also in China's interests.

He also pointed out that the development on the Chinese mainland needs Hong Kong's help, and Hong Kong's prosperity needs the mainland's support to a more obvious degree. So China does not want to see any damage inflicted on this relationship. Both China and Britain should take positive measures to this end.

Sir David Wilson said that he thought that his current visit to Beijing and his talks with the Chinese side would be useful.

The Hong Kong governor said: The frank and direct exchange of opinions between the two sides will help increase mutual understanding, and we also hold that cooperation between Hong Kong and the Chinese mainland is of vital importance.

At the meeting, Li Peng also briefed the Hong Kong governor on China's current political and economic situation. He stressed that China's political situation is stable and China's economy is developing in a good direction.

Li Peng said: Last year, China's economic growth rate was 6.8 percent, and some changes were made in the industrial structure, with the large and medium-sized enterprises in the energy, transport, power, iron and steel, and chemical industries maintaining the momentum of growth. Agricultural production marked an all-time high. Inflation was brought under control. The supply of commodities was ample. A surplus appeared in foreign trade. The financial condition was also good.

Therefore, Li Peng said, I am optimistic about China's economic development and I am sure that we have taken the correct road.

Zhou Nan, Chinese vice foreign minister, and Li Hou and Lu Ping, deputy directors of the State Council's Hong Kong and Macao Affairs Office, also attended the meeting in Zhongnanhai.

The Hong Kong governor and his entourage will conclude his 3-day visit to Beijing this afternoon and return to Hong Kong.

Legislators Assail PRC Criticism of UK Offer

HK0401020590 Hong Kong SOUTH CHINA
MORNING POST in English 4 Jan 90 p 5

[By Daphne Cheng]

[Text] Executive and Legislative Councillors yesterday said they were disappointed at China's criticism of the nationality package announced by Britain for 50,000 Hong Kong families.

The Omelco [Office of Members of Executive and Legislative Council] nationality working group felt comments made by the Chinese Foreign Ministry last week accusing Britain of violating its commitment to the Sino-British Joint Declaration would not help resolve the local confidence crisis.

Convenor Mrs Rosanna Tam Wong Yick-ming said: "We do regret that China has made such comments as they are definitely not helpful in restoring confidence of the Hong Kong people.

"Our work has always been for the purpose of restoring Hong Kong's confidence in the future so that more people will stay in Hong Kong and take part in building Hong Kong, thus ensuring the stability and prosperity here in both the long and short runs," she said.

Mrs Tam said councillors would raise the nationality issue with the British Foreign Secretary, Mr Douglas Hurd, during his visit to the territory in two weeks.

Omelco would press Mr Hurd on British plans to seek international assistance in resolving Hong Kong's confidence crisis.

In the meantime, the working group would meet the territory's various concern groups on the nationality issue to exchange views.

And a second round of discussions with local consulates of foreign governments would be in a bid to strengthen their understanding of Hong Kong's problems.

These include some Southeast Asian and European countries such as Japan, South Korea, Singapore, Malaysia, Thailand, the Philippines, Belgium, Norway, Denmark and Portugal.

Earlier, councillors met representatives of 12 Western consulates including the United States, Canada and Australia.

Mrs Tam said that in the first round of meetings the officials all understood that Hong Kong has a confidence problem and wished Britain to take the lead in providing a solution.

The group said it hoped the Governor, Sir David Wilson, would convey to the Chinese leaders during his visit to Beijing next week local feeling on the nationality issue and relay the message that the right of abode plan was meant to stabilise Hong Kong.

—In London, the passport plan is causing internal difficulties for the Government with a group of Tory rebels led by Mr Norman Tebbit, the former cabinet minister, threatening to vote against legislation on the issue due to be brought before parliament later this year.

But at least the prospect of a cabinet split has been averted. In cabinet meetings before Christmas, the Home Secretary, Mr David Waddington, voiced concern that granting settlement rights to such a number of Hong Kong people risked reopening the whole immigration controversy.

Since then close associates of the Home Secretary have made it clear that he will go along with the majority cabinet decision and will not be party to any "whispering campaign" to undermine the package.

3,000 To Join New Taiwan Political Party

HK0301021390 Hong Kong HONGKONG STANDARD
in English 3 Jan 90 p 6

[By Fan Cheuk-wan]

[Text] About 3,000 Hong Kong residents, among them 300 Kuomintang [KMT] members, are to join the Chinese Tsung Tsin Party which will be registered in Taipei on Friday, said a key organizer of the new party.

Informed right-wing sources said yesterday the KMT members would resign from the party immediately after the Taiwan government approved the establishment of the new party.

"About 100 of those who have decided to resign will issue newspaper advertisements later this month to

declare their disappointment with the KMT," one source said, despite strong pressure from KMT officials in Taipei and Hong Kong.

The Chinese Tsung Tsin Party, literally meaning Chinese Justice Party, will form a united front of pro-reunification forces in Taiwan and among overseas Chinese to counterbalance the growing pro-independence sentiment on the island.

The new party, which has the backing of the Tsung Tsin Association comprising more than 10,000 Hakkas and returned overseas Chinese, is expected to become the 40th political party in Taiwan.

Mr Chang I-sung, a key organizer of the Tsung Tsin Party and executive secretary-general of the Tsung Tsin Association in Taiwan, told the HONGKONG STANDARD, yesterday that the new party has rented offices in Kowloon and Hong Kong.

"Although the Basic Law draft recently incorporated a new provision banning activities of foreign political groups in Hong Kong, the Chinese Tsung Tsin Party will keep its presence in Hong Kong after 1997," he said.

"It will only help safeguard the prosperity and stability of Hong Kong. Our activities in Hong Kong will only help Hong Kong compatriots living there."

Mr Chang said the two offices would only serve as a site for social gatherings.

"Our party will be officially registered with the Ministry of the Interior this Friday. Normally the government would grant the approval within one month."

Mr Chang said the new party would concentrate on protecting the interest of Overseas Chinese and developing traditional Chinese culture.

"As regard the question of 1997, our party strongly urges the government to map out a comprehensive and effective scheme to arrange for the future settlement of Hong Kong compatriots in Taiwan, especially for the pro-Taiwan leaders in Hong Kong."

He said the party had recruited 23,000 founding members in Taiwan and had prepared for the establishment of party branches in nine counties and cities.

"Apart from the 23,000 founding members, 74,000 people in Taiwan have promised to join the new party after its registration is approved," he said.

"Among them, there are 20,000 KMT members and 3,000 Democratic Progressive Party members. If they want to keep double membership of two political parties, they must seek prior approval from the Central Committee of the Chinese Tsung Tsin Party," he said.

"More than 30,000 of our potential members are Hakkas. We have also recruited 50,000 potential members in Southeast Asia and 4,000 in America," he said.

The party will be officially founded on March 29.

Mr Chang said the recent murder of Mr Kuo Shih-yuan, an elderly member of the National Assembly, had created panic among senior members of parliament.

"Last month, 20 National Assembly members decided to become founding members of the party. The number jumped to 37 after Mr Kuo's death," he said.

There has been speculation that the death of Mr Kuo was connected with the recent campaign launched by opposition activists and some reformist KMT members to press for compulsory retirement of all elderly parliamentarians.

Under the existing constitution of the Republic of China, the Taipei Government maintains sovereignty over the mainland. The elderly parliamentarians have represented mainland constituencies since they were elected in China in the 1940s.

"After the murder case, many elderly members of the National Assembly have shown their interest in joining the Chinese Tsung Tsin Party as our party will firmly safeguard parliament's legitimacy to rule the mainland," he said.

Mr Chang said the party supported the current voluntary retirement scheme for elderly parliamentarians.

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